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APPROPRIATIONS REPORT 1993 BIENNIUM

VOL. II

1991 REGULAR SESSION
1992 SPECIAL SESSION

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APPROPRIATIONS REPORT, 1993 BIENNIUM
1991 REGULAR SESSION
1992 SPECIAL SESSION

Volume II

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The Office of the Legislative Fiscal Analyst

Helena, Montana

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NATURAL RESOURCES & COMMERCE

PUBLIC SERVICE REGULATION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	47.00	47.00		47.00	47.00	47.00		47.00
Personal Services	1,509,816	1,509,816	83,396	1,593,212	1,508,757	1,508,757	134,570	1,643,327
Operating Expenses	595,599	595,599	0	595,599	445,285	445,285	0	445,285
Equipment	36,105	36,105	0	36,105	39,579	39,579	0	39,579
Total Costs	\$2,141,520	\$2,141,520	\$83,396	\$2,224,916	\$1,993,621	\$1,993,621	\$134,570	\$2,128,191
Fund Sources								
General Fund	2,096,986	2,096,986	82,196	2,179,182	1,949,128	1,949,128	132,583	2,081,711
Federal Revenue Fund	25,137	25,137	1,200	26,337	25,113	25,113	1,987	27,100
Proprietary Fund	19,397	19,397	0	19,397	19,380	19,380	0	19,380
Total Funds	\$2,141,520	\$2,141,520	\$83,396	\$2,224,916	\$1,993,621	\$1,993,621	\$134,570	\$2,128,191

Agency Description

The Department of Public Service Regulation regulates the public utility, motor carrier, and railroad industries to provide safe, reliable, and adequate services at the lowest achievable cost to the consumers while concurrently providing the regulated industries with a fair and reasonable return on their investment for the services rendered. The department is provided for in Sections 2-15-2601 and 69-1-102, MCA, and operates under one program, the Public Service Commission. This program is overseen by five commissioners elected from districts throughout Montana.

Special Session Action

The legislature made no changes in this agency's budget during the 1992 special session.

PUBLIC SERVICE REGULATION

Budget as Approved by the Regular 1991 Legislative Session

Personal services are 1.0 FTE and 10.0 percent higher than fiscal 1990 actual expenditures due to: 1) budget modifications which add 1.0 FTE and \$33,209 in fiscal 1992 and \$33,168 in fiscal 1993; 2) vacancy savings in fiscal 1990; and 3) the fiscal 1991 pay plan increase continuing in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for all staff, except the commissioners. This reduced personal services by \$52,653 in fiscal 1992 and \$52,634 in fiscal 1993.

Operating expenses, which are funded at the fiscal 1991 appropriated level, account for an increase of \$63,279 in fiscal 1992 and \$26,140 in fiscal 1993. Operating expenses included a \$50,000 biennial appropriation for specialized outside consultants to represent the department before such agencies as the Federal Energy Regulatory Commission and the Interstate Commerce Commission. Budget modifications add \$206,140 in fiscal 1992 and \$109,379 in fiscal 1993.

Equipment, which was approved at the agency's request, includes three replacement vehicles, five replacement radios, and two laser printers.

Summary of Budget Modifications

		FY 1992		FY 1993			
PGM	FTE	General Fund	Other Funds	FTE	General Fund	Other Funds	
1 Travel/Registration Fees	01	\$25,000			\$14,400		
2 Exempt Positions Salaries	01	14,400			108,120		
3 SB164-PSC Relocation	01	176,310			20,027		
4 Log Hauler Regulation-HB192	01	1.00		1.00			
TOTALS		1.00	\$239,349	1.00	\$142,547		

1) The Travel/Registration Fees modification is a biennial appropriation to enhance participation in local and interstate conferences and commission hearings.

2) The Exempt Positions Salaries modification provides authority for the Commission to increase salaries for the ten exempt positions in the department.

PUBLIC SERVICE REGULATION

- 3) The SB164-PSC Relocation modification provides increased rent and one-time-only moving costs in fiscal 1992 for relocation out of the Department of Highway's building due to enactment of Senate Bill No. 164 (creating the Department of Transportation).
- 4) The Log Hauler Regulations-HB192 modification implements House Bill No. 192, which pertains to the transportation of logs as a regulated commodity.

Funding

The Department of Public Service Regulation is funded primarily with general fund. The amount of general fund appropriated to finance the department is reimbursed through a utility tax deposited into the general fund. Federal revenue finances the Natural Gas Pipeline Safety program on a 50/50 general fund match basis and also provides indirect cost support. Proprietary funds consist of reimbursements the department receives from out-of-state utility companies for costs associated with conducting audits.

DEPARTMENT OF FISH, WILDLIFE & PARKS

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	553.03	553.03		553.03	553.13	553.13		553.13
Personal Services	15,526,987	15,492,528	1,033,817	16,526,345	15,323,416	15,288,579	1,631,858	16,920,437
Operating Expenses	14,928,263	14,928,263	0	14,928,263	12,345,982	12,345,982	0	12,345,982
Equipment	1,614,957	1,614,957	0	1,614,957	1,520,127	1,520,127	0	1,520,127
Capital Outlay	10,000	10,000	0	10,000	10,000	10,000	0	10,000
Grants	1,567,244	1,567,244	0	1,567,244	461,053	461,053	0	461,053
Benefits and Claims	3,000	3,000	0	3,000	3,000	3,000	0	3,000
Transfers	3,061,450	3,061,450	0	3,061,450	3,265,367	3,265,367	0	3,265,367
Total Costs	\$36,711,901	\$36,677,442	\$1,033,817	\$37,711,259	\$32,928,945	\$32,894,108	\$1,631,858	\$34,525,966
Fund Sources								
General Fund	423,055	388,596	7,682	396,278	423,064	388,227	12,396	400,623
State Revenue Fund	23,019,436	23,019,436	827,678	23,847,114	20,072,969	20,072,969	1,296,381	21,369,350
Federal Revenue Fund	10,852,012	10,852,012	189,905	11,041,917	10,024,403	10,024,403	304,808	10,329,211
Capital Projects Fund	18,600	18,600	0	18,600	0	0	0	0
Proprietary Fund	2,398,798	2,398,798	8,552	2,407,350	2,408,509	2,408,509	18,273	2,426,782
Total Funds	\$36,711,901	\$36,677,442	\$1,033,817	\$37,711,259	\$32,928,945	\$32,894,108	\$1,631,858	\$34,525,966

Agency Description

The Montana Department of Fish, Wildlife, and Parks, under direction of the Fish, Wildlife and Parks Commission, is responsible for managing Montana's fish, wildlife, and recreational resources and with providing optimum outdoor recreational opportunities for Montanans and their guests. The department is responsible for a state park system that includes scenic, historical, cultural, and recreational resources. Implementation of the department's programs occur in seven department divisions in addition to the director's office and within eight regional field offices throughout the state. The five-member Fish, Wildlife and Parks Commission provides policy to the department on resource management, seasons, and use of lands owned or controlled by the department.

DEPARTMENT OF FISH, WILDLIFE & PARKS

Special Session Action

=====		Executive Budget Proposal		=====		Legislative Budget Action		=====	
Description	Pgm	--- Fiscal 1992 ---		--- Fiscal 1993 ---		--- Fiscal 1992 ---		--- Fiscal 1993 ---	
		General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
House Bill 2									
1 Parks Vacancy Savings	06	(\$34,459)		(\$34,837)		(\$34,459)		(\$34,837)	

1) Parks Vacancy Savings - The Executive Budget proposed and the legislature reduced personal services appropriations in the Park Futures Committee budget modification and the Montana Conservation Corps by 8 percent per year. The budget modification reduction of \$30,083 in fiscal 1992 and \$30,461 in fiscal 1993 will result in less park educational information and maintenance. Implementation of the Montana Conservation Corps will be delayed slightly, resulting in \$4,376 savings each year. The 1989 legislature created the Montana Conservation Corps to improve the state park system and other state lands while helping unemployed or economically disadvantaged youth and adults gain work skills and practical experience. Revenue collected from the state park entrance fee system implemented in 1989 was to provide the state funds for this program. Because the fee collections were less than anticipated, the department decided not to implement this program during the 1991 biennium.

Language

"If the department receives private funds, it may increase its state special revenue appropriation and decrease its federal revenue appropriation by like amounts."

"The appropriation for the legislative contract authority in items 1b, 3b, 4a, 5b, 6b, 7b, and 8a [Legislative Contract Authority] is subject to the following provisions:

1) Legislative contract authority applies only to federal and private funds.

2) Legislative contract authority expenditures must be reported on state accounting records. The records must be separate from current level operations.

DEPARTMENT OF FISH, WILDLIFE & PARKS

3) A report must be submitted by the department to the Legislative Fiscal Analyst following the end of each fiscal year of the biennium. The report must include a listing of projects with the related amount of expenditures for each project."

"The department shall conduct a study of the options and methods available for allocating administrative costs to the various state special revenue funds managed by the agency. The department shall present the findings of its study to the Legislative Finance Committee by July 1, 1992, along with its recommendation, affected accounts, and any required statute changes."

"Fish, Wildlife, and Parks Commission commissioners cannot be flown to or from Fish, Wildlife, and Parks Commission meetings in state-owned aircraft unless documented cost savings over other transportation options can be achieved."

Budget as Approved by the Regular 1991 Legislative Session

In all divisions' budgets (except the Field Services Division), the legislature appropriated legislative contract authority (LCA). A legislative contract authority appropriation is authority for future federal and/or private grants that the department may receive. During the biennium, the department will receive numerous federal and private grants. At the time the budget was developed, it was not possible to predict what grants would become available. LCA provides the mechanism by which the department can accept and spend grants without going through the budget amendment process.

The 18.77 increase in FTE is due to: 1) 15.45 FTE increase from "new" budget modifications (the 10.9 FTE from "one-time-only" program expansions approved by the 1989 legislature are included in the fiscal 1990 figure); 2) 3.5 FTE increase in the Wildlife Division due to a Department of Labor ruling; 3) 3.16 increase due to "one-time-only" program expansions in 1991 approved by the 1989 legislature that are continued in the 1993 biennium; 4) elimination of 1.5 FTE in the Fisheries Division through contracting rather than hiring personnel; 5) elimination of 0.14 FTE in the Off-highway Vehicle program due to less revenue expected; and 6) elimination of 1.7 FTE in the Montana Conservation Corps.

Personal services increase 11.1 percent due to: 1) budget modifications; 2) vacancy savings in fiscal 1990; and 3) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for the total agency personal services of \$649,914 in fiscal 1992 and \$641,434 in fiscal 1993.

The 54.0 percent increase in operating expenses reflects: 1) budget modifications; 2) biennial appropriations that are budgeted in fiscal 1992; 3) increases in rent, SWCAP, fleet charges, leases and taxes, insurance, and headquarter's fixed costs; 4) increases in the Upland Game Bird, Off-highway Vehicle and Montana Conservation Corps, and Shooting Ranges programs; and 5) budgeting operating expenses at fiscal 1991 appropriation levels which are higher than fiscal 1990 actual expenditures.

Equipment, which reflects the agency's request in current level and budget modifications, decreases from fiscal 1990 actual expenditures due to the purchase of a \$349,464 helicopter in fiscal 1990.

Capital outlay an is appropriation in the Department Management Division for replacement and repair of mechanical systems in headquarters.

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Grants reflect appropriations to the Department of Natural Resources and Conservation for the Missouri River water reservation process (biennial appropriation), to the Cooperative Fisheries Unit at Montana State University for fish research, for improvement of upland game bird habitat (biennial appropriation), to graduate students working on wildlife research projects, for the Montana Conservation Corps, for shooting ranges (biennial appropriation), to the Department of Livestock for predator control, to the Montana State Library for the Natural Heritage program, and grants to local communities from the Land and Water Conservation fund.

Transfers mainly reflect legislative contract authority. Also included is the vehicle cost differential in the Administration and Finance Division and snow removal contingency in the Parks Division.

Summary of Budget Modifications

	PGM	FTE	FY 1992--		FY 1993--		
			General Fund	Other Funds	FTE	General Fund	Other Funds
1 Fiscal Management Position	01	1.00		\$33,801	1.00		\$32,425
2 Vehicle Account	01			163,000			169,000
3 Block Management	02	3.30		170,581	3.30		170,469
4 Fishing & Motorboat Access	02	1.00		39,522	1.00		39,454
5 Microcomputer Support	02	1.00		30,731	1.00		30,665
6 Block Management - EPP	02	3.00		234,494	3.00		234,496
7 Game Damage	02			50,000			75,000
8 Sporting Information	02			17,000			17,000
9 License Agent Commissions	02			10,300			97,300
10 Dvlpmnt. & Maint. of Dept. Prop.	02			60,000			60,000
11 Computerize Land Records	02			35,000			35,000
12 Cherry Creek Reservoir	02			150,000			
13 HB91-License Drawings	02	.20		9,864	.30		7,297
14 Missouri Basin Reservations	03			166,826			
15 Streambank Projects	03			41,000			41,000
16 USFS Fisheries Data Project	03	1.25		55,831	1.25		56,933
17 Evaluate Fish Population	03	2.50		108,240	2.50		108,203
18 Fishing & Motorboat Access	03	.75		32,023	.75		32,353
19 Flathead Lake Fishery	03	.50		23,139	.50		23,882
20 Clark Fork River Investigation	03	1.00		49,271	1.00		49,269
21 Fish Hatchery Operations	03			55,000			55,000
22 HB576-Evaluation Fish Intro.	03			75,000			
23 HB115-Paddlefish Roe	03			26,000			26,000

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		FY 1992-		FY 1993-			
PGM	FTE	General Fund	Other Funds	FTE	General Fund	Other Funds	
24 HB908-Water Measuring Devices	03		7,250			21,750	
25 Special Investigations	04	2.00	110,580	2.00		110,547	
26 Enforcement Relocation	04		27,000			27,000	
27 Habitat/Timber Sales Plans	05		16,250			16,250	
28 Canyon Ferry Wildlife Mgt. Area	05	.40	7,404	.40		7,398	
29 Helicopter Rental	05		90,600			90,600	
30 Upland Game Bird Increase	05		125,000				
31 SB252-Dev & Maint Real Property	05	1.50	532,026	1.50			
32 Park Futures Committee	06	4.06	338,273	4.06	337,903		
33 Fishing Access Maintenance	06	.63	49,549	.63		49,550	
34 HB309-Off-Highway Vehicles	06	.16	98,580	.16		98,580	
35 Capitol Grounds Maintenance	06	.50	27,265	.50		27,258	
36 Watchable Wildlife	08	.60	29,333	.60		29,334	
37 Aquatic Education	08		10,992			10,992	
38 Update Hunter Education	08		25,000			25,000	
39 HB309-Off-Highway Vehicles	08		10,900			10,900	
40 Legal Services - EPP	09	1.00	33,798	1.00		33,801	
41 Tribal Relations	09		40,000			40,000	
42 Interagency Support	09		25,000			25,000	
43 Geographic Information System	09		50,000			40,000	
44 Regional Offices Support	09		75,000			75,000	
45 Sikes Act	09		170,000				
46 Predator Control	09		20,000			20,000	
47 Legal Services	09		12,300			12,300	
Totals		26.35	\$3,230,450	26.45	\$337,903	\$2,132,006	

1) The Fiscal Management Position modification provides assistance in budget preparation and monitoring the laws and rules relating to the department's various earmarked accounts.

2) The Vehicle Account modification adds additional authority for the biennium from the department's equipment enterprise proprietary account. This account receives a per mile charge from vehicles used by all programs in the department and in turn pays all costs from this account. The department has tabulated travel costs associated with other budget modifications approved by the legislature and this modification is the additional amount required to pay anticipated increased vehicle expenses.

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- 3) The Block Management modification continues a portion of the block management program to meet the demand of landowners for assistance in hunter management and sportsmen's requests for more hunting opportunity on private lands. This program was established in 1985 to facilitate public hunting on private land while assisting landowners in dealing with the hunting public. Issues being dealt with in this program are people management, wildlife management, noxious weeds, and erosion. Under this program, approximately 4.5 million acres have been opened to public hunting. Modification #6 expands this program.
- 4) The Fishing and Motorboat Access modification continues an engineering position to design site developments for motorboat and fishing access sites.
- 5) The Microcomputer Support modification continues providing technical support and assistance for department computer users.
- 6) The Block Management - EPP modification expands the block management program discussed in budget modification #3. Enrollment in the program is expected to increase in the next biennium.
- 7) The Game Damage modification provides additional funding to address chronic game damage (depredation) on private lands. Since 1983, the department has purchased equipment and material to deal with depredation, as well as providing herding and damage hunts when necessary.
- 8) The Sporting Information modification develops informational displays for use by license agents. In addition to selling licenses, these agents distribute information to the sporting public about the department's programs.
- 9) The License Agent Commission modification increases the commission paid to license agents from the current \$0.30 per license to \$0.40 in fiscal 1992 and to \$0.50 in fiscal 1993. There are approximately 400 businesses acting as license agents that sell hunting and fishing licenses for the department.
- 10) The Development and Maintenance of Department Property modification provides additional design and construction support for wildlife management areas, waterfowl projects, parks, and fishing access sites. Because Senate Bill 252 was enacted, this appropriation is to be reduced by the amount of funds the legislation provides the general license account for the management of wildlife management areas.
- 11) The Computerize Land Records modification completes computerization and verification of all land records to meet legal and information requests.
- 12) The Cherry Creek Reservoir modification is a \$150,000 biennial appropriation funded with \$50,000 general license account, \$50,000 local donations, and \$50,000 Dingell-Johnson funds to provide for a feasibility/design study for the construction of a reservoir on Cherry Creek near Miles City. Authorized at \$300,000 by the 1989 legislature, no funds will be expended in the 1991 biennium. However, the Bureau of Reclamation has completed the initial feasibility study and re-appropriation of the unspent authority will allow the state to begin the second phase of the study.
- 13) The License Drawing-HB91 modification implements provisions of House Bill 91, which provides for a 7 year waiting period for hunters who were issued a moose, sheep, or goat license.

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- 14) The Missouri Basin Reservations modification will allow the department to continue paying its share of the cost of preparing an environmental impact statement on the Missouri River Basin water reservations, including the water reservations process on the Little Missouri River. The application process will be completed by July 1991 and the department anticipates costs of holding contested case hearings, preparing hearing transcripts, paying outside expert witnesses, and other legal costs.
- 15) The Streambank Projects modification continues funding of legal services which represent the department in review of Natural Stream Bed and Land Preservation Act projects, irrigation diversions, and U.S. Forest Service projects in specific regions.
- 16) The USFS Fisheries Data Project modification allows continued cooperative collection of fisheries data on or adjacent to national forest lands. These data are used in the decision-making process for forest management activities.
- 17) The Evaluate Fish Population modification will allow for continued evaluation and monitoring of fish populations. The data from this monitoring are used to develop and assess management plans, set regulations, and assess habitat conditions on priority waters including Flathead Lake, Flathead River, Rock Creek, Blackfoot River, Big Hole River, Beaverhead River, Missouri River, Canyon Ferry Reservoir, Hauser Reservoir, Holter Reservoir, Yellowstone River, Bighorn River, and Fort Peck Reservoir.
- 18) The Fishing and Motorboat Access modification continues to provide administrative assistance in the Fishing Access and Motorboat Access programs. Also provided is the oversight and coordination for fishing access site acquisition, maintenance, development, and protection. In addition, the funding helps coordinate activities associated with federal matching aid, inventorying and prioritizing sites, developing maintenance guidelines, and determining the feasibility of cooperative partnerships for site management.
- 19) The Flathead Lake Fishery modification continues the stocking of Flathead Lake Kokanee salmon on an experimental basis in response to the decline in survival of naturally spawned fish.
- 20) The Clark Fork River Investigation modification provide additional data collection and analysis on impacts of past mining activities on the aquatic resources on the upper Clark Fork River in connection with the state's resource damage assessment suit against AROO. The legislature included language that expenditures from this appropriation are not to be included in the 1995 biennium budget and that the department is to be reimbursed for all expenses associated with the suit.
- 21) The Fish Hatchery Operations modification provides funding for inflationary increases in fish food and provides for maintenance, repair, and increased utility costs at hatcheries other than the Miles City hatchery. The 1989 legislature authorized a \$163,768 biennium expansion for the Miles City hatchery which included increased operational costs. In addition, the modification would fund the increased costs of fish health analysis and lake trout egg-take at Fort Peck.
- 22) The Evaluation of Fish Introductions-HB576 modification implements the provisions of House Bill 576, which requires environmental reviews when fish species are transplanted in waters where they have not previously existed.
- 23) The Paddlefish Roe-HB115 modification implements the provisions of House Bill 115, which amended the laws relating to the marketing of paddlefish roe by expanding the area where the roe can be collected.

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- 24) The Water Measuring Devices-HB908 modification implements the provisions of House Bill 908, which requires the Department of Natural Resources and Conservation to identify chronically de-watered watercourses. For those identified on the department's land, and where it has a diversion structure, the department is required to install measuring devices at the sites to ensure the correct amount of water is removed.
- 25) The Special Investigations modification expands the Special Investigation Unit from one to three investigators who investigate illegal taking and trafficking in animal parts.
- 26) The Enforcement Relocation modification continues an annual \$27,000 increase in employee relocation costs in addition to the \$23,373 per year contained in the current level budget. The department reimburses the moving costs and costs of locating a new residence for the relocated individuals. The department anticipates 10 to 12 warden retirements in the 1993 biennium, which will cause additional relocation expenses. The legislature included language that expenditures from this appropriation are not to be included in the 1995 biennium budget and that the department is to present the Fifty-third Legislature with a report on historical expenditures for employee relocation.
- 27) The Habitat/Timber Sales Plans modification continues to fund a wildlife biologist position. This position, which is jointly funded with the Department of State Lands (DSL), implements habitat guidelines for state forest lands on timber sales and trains DSL employees concerning wildlife values in timber sales planning.
- 28) The Canyon Ferry Wildlife Management Area modification provides funding for additional personnel at the Canyon Ferry Wildlife Management Area.
- 29) The Helicopter Rental modification continues to provide an additional \$90,600 per year for aircraft rental paid to the department's equipment enterprise proprietary account. The 1989 legislature authorized \$363,600 annually for this purpose, which was \$90,600 above the amount expended in fiscal 1988. This increase was approved because mild weather conditions in the 1988 base year resulted in lower than average expenditures and because of higher helicopter rates by the proprietary account associated with the fiscal 1990 purchase of a 1977 Hughes 500 helicopter.
- 30) The Upland Game Bird Increase modification (originally entitled Salinity Control) provides additional authority to this program (which the legislature authorized to be funded with a biennial appropriation) for improving upland game bird habitat.
- 31) The Development and Maintenance of Real Property-SB252 modification implements the provisions of Senate Bill 252 which revises the allocation of funds that may be used for development and maintenance of wildlife lands.
- 32) The Park Futures Committee modification addresses recommendations of the State Park Futures Committee. The committee recommended an accelerated five-year schedule for park improvements which would require an additional \$6,315,000 and 30.24 FTE per year. The 1991 legislature approved \$368,356 for fiscal 1992 and \$368,364 for fiscal 1993 general fund to fund a portion of the committee's recommendation. The 1992 special session reduced these amounts to \$338,273 and \$337,903, respectively.

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- 33) The Fishing Access Maintenance provides for increased maintenance at various fishing access sites. Because of the growing number of sites, funds earmarked for operation and maintenance costs of the sites are insufficient. In fiscal 1990, the Parks Division expended \$450,000 of general license account funds for this purpose.
- 34) The Off-Highway Vehicles-HB309 modification implements the provisions of House Bill 309, which requires the department of develop and maintain off-highway vehicle facilities, to repair areas that are damaged by off-highway vehicles, and to develop an off-highway vehicle safety program. The program to funded by 1/8 of 1 percent of the highway fuel tax.
- 35) The Capitol Grounds Maintenance modification provides temporary summer help and funding needed to remove and replace trees and shrubs injured during the winter of 1988-89. In addition, \$5,500 each year is included as a pay increase for snow removal personnel.
- 36) The Watchable Wildlife modification (previously named Non-Game Wildlife) continues development of comprehensive regional inventories of nongame animals, collection of data, and conducting nongame animal research. The legislature replaced general license account funding with \$27,377 per year of tax check-off funding from the Wildlife Division.
- 37) The Aquatic Education modification increases aquatic educational opportunities for Montana students, teachers, and the public through improved training and resource material.
- 38) The Update Hunter Education modification revises and standardizes the hunter safety curriculum taught to over 6,000 students annually. Teaching resource materials, such as updated instructor and student manuals and videos, would be created or purchased and provided to the instructors who donate their time and resources in instructing youth.
- 39) The Off-Highway Vehicles-HB309 modification implements the provisions of House Bill 309 which requires the department to develop and maintain off-highway vehicle facilities, to repair areas that are damaged by off-highway vehicles, and to develop an off-highway vehicle safety program. The program is funded by 1/8 of 1 percent of the highway fuel tax.
- 40) The Legal Services - EPP modification provides funding for an additional attorney or paralegal to handle an increase in number and complexity of legal issues. Major issues include the natural resource damage suit on the Clark Fork River, involvement in water issues (Clark Fork and Missouri River basin instream flow reservations, water adjudication, water leasing), initiatives by several Indian tribes to exercise treaty rights for hunting and fishing, increased illegal trafficking of game animals, and land conservation easements and leases. This position is in addition to the three attorneys already employed by the department.
- 41) The Tribal Relations modification provides for contracted legal services to negotiate with tribal governments on common fishing, hunting, and recreational resource interests which require additional expertise.
- 42) The Interagency Support modification increases the department's biennial support for the natural resource information system (NRIS) from \$50,000 to \$100,000.
- 43) The Geographic Information System modification provides funding for a pilot project to evaluate the potential uses of a geographic information system (GIS) specific to department lands and with a narrower focus than the existing state library NRIS. This automated

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resource inventory and database management capability would support management decisions on department lands by improving planning for projects and facilitating networking with other agencies. The legislature stipulated that expenditures on this project are not to be included in the 1995 biennium budget.

44) The Regional Offices Support modification will provide contracted clerical assistance for regional headquarters to support increasing public information and clerical workloads, and to provide additional security measures at regional headquarters.

45) The Sikes Act modification continues to provide matching funds for the federal Bureau of Land Management (BLM) and the U.S. Forest Service challenge grants for Fish and Wildlife Enhancement projects such as constructing new channels for fish spawning, building goose nests structures, managing roads to provide elk security during hunting season, and pot hole blasting for waterfowl.

46) The Predator Control modification continues funding the expanded Predator Control program. The department contracts with the Department of Livestock for predator control, mainly coyotes and skunks. This modification increases the department's biennial support for predator control in the Department of Livestock from \$180,000 to \$220,000.

47) The Legal Services modification continues to fund increased department legal and court costs.

Other Legislation

Bill No./Description	Fiscal 1992		Fiscal 1993	
	FTE	General Fund	General Fund	Total Funds
HB 833 - Watercraft Law Revisions*				
SB 425 - Water Leasing Study Extension**				
		\$36,752		
		<u>30,000</u>		
Totals	0.00	\$0	\$0	\$0

* The biennial appropriation is 20 percent of fee revenue estimates.

** Biennial appropriation.

House Bill 833 - Watercraft Law Revisions - The legislature provided a biennial appropriation of all money in a newly established state special revenue account to provide boat owner education and to acquire decibel meters and marine sewage pumpout equipment. The account will receive 20 percent of watercraft certification fees, estimated at \$183,760 for the biennium. The legislation increases the fee from \$2.00 to \$2.50.

Senate Bill 425 - Water Leasing Study Extension - The legislature provided for a biennial appropriation of \$22,500 federal funds and \$7,500 state special revenue to lease existing water rights for the purpose of maintaining or enhancing steamflows to benefit fisheries.

DEPARTMENT OF FISH, WILDLIFE & PARKS

Funding

The department's primary state special revenue funding source is hunting and fishing license revenue. Table 1 shows a four-year cash flow analysis of the general license account based on legislative action and estimated revenues from Senate Bill 171, which increases selected hunting and fishing license fees.

	Actual FY 90	Actual FY 91	Projected FY 92	Projected FY 93
Beginning Balance				
Revenues	\$6,979,167	\$5,517,242	\$5,319,663	\$3,325,455
SB 171	16,105,914	16,948,445	15,570,448	15,570,448
	0	0	782,586	2,189,855
Total Funds Available	\$23,085,081	\$22,465,687	\$21,672,697	\$21,085,758
<u>Disbursements</u>				
1. Program Expenditures	\$14,896,805	\$15,055,819	\$16,220,291	\$15,837,771
2. Continuing Capital Costs	2,300,323	1,730,283	945,321	434,615
3. Long Range Building Projects	0	0	413,500	413,500
4. Pay Plan Allocation	0	0	662,976	1,036,299
Total Disbursements	\$17,197,128	\$16,786,102	\$18,242,079	\$17,722,185
Adjustments	(370,711)	(359,922)	(140,445)	0
Ending Balance	\$ 5,517,242	\$ 5,319,663	\$ 3,290,173	\$ 3,328,291

Earmarked license fees fund specific projects such as wildlife habitat and fishing access sites acquisition, upland game bird habitat improvement, and river restoration. Federal funds consist primarily of Pittman-Robertson and Dingell-Johnson grants, Land and Water Conservation Fund revenues, and federal overhead.

General fund finances the Park Futures Committee budget modification and a portion of the Montana Conservation Corps. Increased state special revenue funding mainly reflects budget modifications funded with hunting and fishing license revenue and the biennial appropriation for the Upland Game Bird program. The increase in federal funding is due to legislative contract authority which is financed with federal revenue, the Land and Water Conservation Fund biennial appropriation, and those budget modification which are 75 percent federally funded.

ADMINISTRATION & FINANCE DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	35.20	35.20		35.20	35.20	35.20		35.20
Personal Services	893,759	893,759	66,240	959,999	893,439	893,439	94,485	987,924
Operating Expenses	1,940,242	1,940,242	0	1,940,242	1,911,523	1,911,523	0	1,911,523
Equipment	773,170	773,170	0	773,170	776,067	776,067	0	776,067
Transfers	208,950	208,950	0	208,950	225,867	225,867	0	225,867
Total Costs	\$3,816,121	\$3,816,121	\$66,240	\$3,882,361	\$3,806,896	\$3,806,896	\$94,485	\$3,901,381
Fund Sources								
State Revenue Fund	1,271,590	1,271,590	66,240	1,337,830	1,263,950	1,263,950	89,603	1,353,553
Federal Revenue Fund	536,048	536,048	0	536,048	534,542	534,542	0	534,542
Proprietary Fund	2,008,483	2,008,483	0	2,008,483	2,008,404	2,008,404	4,882	2,013,286
Total Funds	\$3,816,121	\$3,816,121	\$66,240	\$3,882,361	\$3,806,896	\$3,806,896	\$94,485	\$3,901,381

Program Description

The Administration and Finance Division is an administrative and support unit. It provides department-wide support for accounting, fiscal management, purchasing and property management, personnel, federal aid administration, and word processing functions. In addition, the program administers a planning system to formulate and evaluate department-wide work efforts. The Legal Unit was transferred from this program to the Administration program.

Legislative Intent

The Administration and Finance Division's budget includes \$20,813 per year for warrant processing fees, which is to be paid in full to the State Auditor's Office as reimbursement for warrant processing costs.

Budget as Approved by the Regular Legislative Session

The decrease in FTE results from: 1) the transfer of 6.0 FTE to the Department Management Division (4.0 FTE of whom are in the Legal Unit which was moved to that division) and the addition of 1.0 FTE in a budget modification. Personal services increase by 10.1 percent

ADMINISTRATION & FINANCE DIVISION

due to: 1) vacancy savings in fiscal 1990; 2) the fiscal 1991 pay plan increase which continues in the 1993 biennium; and 3) budget modifications which add \$31,301 in fiscal 1992 and \$31,225 in fiscal 1993. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$37,236 in fiscal 1992 and \$37,229 in fiscal 1993.

Operating expenses increase 21.6 percent due to: 1) budget modifications which add \$86,107 in fiscal 1992 and \$89,771 in fiscal 1993; 2) a decrease of \$10,500 per year of operating costs associated with the reorganization of Planning Unit to the Department Management Division; 3) increase of \$30,601 in audit costs which are budgeted in fiscal 1992; 3) increase of \$74,342 for insurance; 4) \$69,984 increase in statewide indirect costs; 5) \$4,456 rent increase; 6) \$20,813 per year of warrant writing charges by the State Auditor's Office; and 7) budgeting operating expenses at the fiscal 1991 appropriation level which adds \$67,124 in fiscal 1992 and \$69,516 in fiscal 1993.

The 24.0 percent decrease in equipment is due to high expenditures in fiscal 1990 for the purchase of a helicopter (\$349,464). Equipment appropriation for the 1993 biennium, which reflects the agency's request, includes replacement of 44 vehicles in fiscal 1992 and 48 in fiscal 1993, \$62,000 for new blades and \$25,000 for a rebuilt engine for the helicopter, and office furniture and equipment. Budget modifications add \$78,593 in fiscal 1992 and \$79,699 in fiscal 1993.

Transfer authority is comprised of two items: 1) the legislature included \$65,000 per year of legislative contract authority (LCA); and 2) vehicle replacement cost differential adds \$143,950 in fiscal 1992 and \$160,867 in fiscal 1993. Actual expenditures of LCA are not included in the fiscal 1990 figure. The vehicle differential is the additional cost, due to inflation, of replacing vehicles. Due to federal requirements, the department's vehicle account cannot charge inflation in the fleet charge to the various divisions. Therefore, the differential is necessary to budget for replacement of new vehicles.

Funding

The division's operating budget is funded from the general license account and indirect costs associated with federal grants and assessments on state special revenue accounts used to fund the Parks Division. The federal overhead rate of 16 percent is applied to federal grants which include Pittman-Robertson and Dingell-Johnson funds, Land and Water Conservation fund monies, Corps of Engineers, and Coast Guard grants. The Field Services and Department Management divisions also share a portion of this indirect cost pool. The same federal overhead rate (less SWCAP) is applied to the revenue estimates on the state special revenue accounts used to fund the Parks Division. The division's two proprietary accounts consist of: 1) the vehicle account which funds vehicle replacements and receives revenue from a per-mile charge to all department's programs for use of vehicles; and 2) the warehouse account which funds the department's surplus property sales. The decrease in state special revenue in the 1993 biennium is from the expenditure of general license account for the purchase of a helicopter which is not included in the 1993 biennium. Federal revenue is expected to increase in the 1993 biennium with a portion of the increase funding the Administration and Finance Division. Proprietary funding increases due to the vehicle account modification and increases in expenditures in the vehicle program, primarily vehicle purchases.

FIELD SERVICES & R-8 DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	47.61	47.61		47.61	47.71	47.71		47.71
Personal Services	1,227,110	1,227,110	87,583	1,314,693	1,228,269	1,228,269	139,047	1,367,316
Operating Expenses	2,145,431	2,145,431	0	2,145,431	2,135,501	2,135,501	0	2,135,501
Equipment	128,600	128,600	0	128,600	116,400	116,400	0	116,400
Benefits and Claims	3,000	3,000	0	3,000	3,000	3,000	0	3,000
Total Costs	\$3,504,141	\$3,504,141	\$87,583	\$3,591,724	\$3,483,170	\$3,483,170	\$139,047	\$3,622,217
Fund Sources								
State Revenue Fund	2,867,080	2,867,080	82,621	2,949,701	2,895,168	2,895,168	131,200	3,026,368
Federal Revenue Fund	530,924	530,924	1,559	532,483	486,887	486,887	2,521	489,408
Proprietary Fund	106,137	106,137	3,403	109,540	101,115	101,115	5,326	106,441
Total Funds	\$3,504,141	\$3,504,141	\$87,583	\$3,591,724	\$3,483,170	\$3,483,170	\$139,047	\$3,622,217

Program Description

The Field Services and Region 8 Division provides services in six broad areas of responsibilities. The Game Damage program provides informational and material assistance to landowners for minimizing impacts of game animals to their property and crops. The Design and Construction Bureau provides architectural and engineering services to all department divisions for construction and maintenance projects at state parks, state fishing access sites, and wildlife management areas. The Aircraft Unit provides aerial mountain lake surveys and fish planting, wildlife surveys, wildlife capture and marking, and transportation flights for the department. The Landowner/Sportsmen Relation and Block Management programs establish and maintain communication with user and resource-based organizations and individuals. They also administer the Livestock Loss Reimbursement program and the Block Management program, which provides habitat and recreational access on private property. The Land Unit is responsible for the technical real estate functions of the department, including acquisition and disposal of real estate and real property and management of all permanent land records and cabin leases. The Licensing and Data Processing function of the program provides support for the department's automated functions and administers the license drawings, maintains all associated records, distributes all licenses to licensing agents, and keeps the necessary records.

FIELD SERVICES & R-8 DIVISION

Language

"[Sporting Information] contains \$17,000 per year to develop informational displays for use by license agents and [License Agent Commissions] contains \$10,300 in fiscal 1992 and \$97,300 for increases in license agents' commissions. The expenditures of these appropriations are contingent on the enactment of Senate Bill 171". Senate Bill 171, which increases certain fishing and hunting license fees, has been enacted.

"[Development and Maintenance of Department Property] contains \$60,000 per year from the general license account for development and maintenance of wildlife management areas, waterfowl projects, parks and fishing access sites. This appropriation is reduced by the amount of funds Senate Bill 252, if enacted, provides the general license account for the management of wildlife management areas". Senate Bill 252, which revises allocation of funds for development and maintenance of wildlife habitat, has been enacted.

Budget as Approved by the Regular 1991 Legislative Session

The increase in 2.2 FTE is due to: 1) 3.0 FTE added in the Block Management Expansion budget modification; 2) .20 FTE added in the License Drawing-HB91 budget modification; and 3) transfer of 1.0 FTE to the Department Management Division. The 5.3 FTE contained in the other budget modifications are included in the fiscal 1990 figure. These modifications were approved by the 1989 legislature but were not to be included in the current level budget presented to the 1991 legislature.

Personal services increase 17.8 percent due to: 1) budget modifications which add \$181,612 in fiscal 1992 and \$182,939 in fiscal 1993; 2) vacancy savings in fiscal 1990; and 3) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$51,130 in fiscal 1992 and \$51,178 in fiscal 1993.

Operating expenses increase 58.2 percent due to: 1) budget modifications which add \$624,880 in fiscal 1992 and \$582,742 in fiscal 1993; 2) a \$14,832 increase in fleet charges; 3) an increase of \$32,000 in fiscal 1992 and \$52,000 in fiscal 1993 for leases and taxes; 4) an increase of \$13,315 in networking fees; and 5) budgeting operating expenses at fiscal 1991 appropriated levels which add \$104,164 in fiscal 1992 and \$104,294 in fiscal 1993 over fiscal 1990 actual expenditures.

Equipment, which reflects the agency's request, includes 93 computers, computer software, four printers, radial arm saw, jointer, and a copier. Budget modifications add \$1,000 per year.

Benefits and claims represent the Livestock Loss program, which makes payments to owners whose livestock was shot by hunters.

FIELD SERVICES & R-8 DIVISION

Funding

State special revenue funding is primarily general license account, with lesser amounts from coal tax trust revenue and wildlife habitat trust interest. Federal funding consists of this division's share of the indirect cost pool, as well as Dingell-Johnson and Pittman-Robertson federal grants. The division's quick copy center is funded from the sole proprietary fund.

FISHERIES DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	109.00	109.00		109.00	109.00	109.00		109.00
Personal Services	3,023,460	3,023,460	203,178	3,226,638	3,024,106	3,024,106	322,318	3,346,424
Operating Expenses	1,983,985	1,983,985	0	1,983,985	1,716,363	1,716,363	0	1,716,363
Equipment	194,863	194,863	0	194,863	153,363	153,363	0	153,363
Grants	185,326	185,326	0	185,326	18,500	18,500	0	18,500
Transfers	1,245,000	1,245,000	0	1,245,000	1,505,000	1,505,000	0	1,505,000
Total Costs	\$6,632,634	\$6,632,634	\$203,178	\$6,835,812	\$6,417,332	\$6,417,332	\$322,318	\$6,739,650
<u>Fund Sources</u>								
State Revenue Fund	2,691,847	2,691,847	102,697	2,794,544	2,506,578	2,506,578	159,646	2,666,224
Federal Revenue Fund	3,922,187	3,922,187	100,481	4,022,668	3,910,754	3,910,754	162,672	4,073,426
Capital Projects Fund	18,600	18,600	0	18,600	0	0	0	0
Total Funds	\$6,632,634	\$6,632,634	\$203,178	\$6,835,812	\$6,417,332	\$6,417,332	\$322,318	\$6,739,650

Program Description

The Fisheries Division is responsible for preserving and perpetuating aquatic species and their ecosystems and for meeting public demand for fishing opportunities. The division formulates and implements policies and programs that emphasize management for wild fish populations and protection of habitat necessary to maintain these populations. The program operates a hatchery program to stock lakes and reservoirs where natural reproduction is limited, regulates angler harvests, monitors fish populations, and provides and maintains adequate public access.

Language

"[Clark Fork River Investigation] contains \$50,042 in fiscal 1992 and \$50,040 in fiscal 1993 appropriated for aquatic resource data collection on the upper Clark Fork River in connection with the state's resource damage assessment suit against AROO. The department shall present to the fifty-third legislature the results of this project. In preparing the 1995 biennial budget for legislative consideration, the Office of Budget and Program Planning and the Legislative Fiscal Analyst's office may not include the expenditures from this item in the current level base. In the litigation, the state shall seek reimbursement for all expenses incurred by the

FISHERIES DIVISION

department associated with the assessment and litigation. Reimbursement shall include interest on the amount commensurate with rates earned in the short-term investment pool."

"[Fisheries Division] contains \$18,600 in fiscal 1992 to contract with the U.S. Fish and Wildlife Service to raise Kokanee salmon fingerlings at the Creston National Fish Hatchery. If a second raceway shelter at the Creston National Fish Hatchery is not purchased, this appropriation is reduced by \$8,220."

Budget as Approved by the Regular 1991 Legislative Session

The increase in 0.41 FTE is due to: 1) 1.0 FTE from the Clark Fork River Investigation budget modification; 2) transfer of 0.5 FTE to the Department Management Division; 3) addition of 1.41 FTE authorized by the 1989 legislature in program expansions for fiscal 1991 which are continued in the 1993 biennium; and 4) elimination by the department of 1.5 FTE in the Missouri Basin Water Reservation program through contracting. The 5.0 FTE contained in the other budget modifications are included in the fiscal 1990 figure. These modifications were approved by the 1989 legislature but were not to be included in the current level budget presented to the 1991 legislature.

Personal services increase by 8.0 percent due to: 1) budget modifications which add \$122,617 in fiscal 1992 and \$122,516 in fiscal 1993; 2) vacancy savings in fiscal 1990; and 3) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$125,978 in fiscal 1992 and \$126,004 in fiscal 1993.

Operating expenses increase 32.1 percent due to: 1) budget modifications which add \$344,147 in fiscal 1992 and \$285,884 in fiscal 1993; 2) decrease of \$70,678 of one-time-only expenses associated with the Evaluate Fish Population program that are in fiscal 1990 expenditures; 3) \$24,263 increase in fleet charges; 4) \$60,000 in fiscal 1992 for a biennial appropriation to conduct a water leasing study; 5) \$18,600 for the Creston National Fish Hatchery; and 6) budgeting operating expenses at fiscal 1991 appropriated levels which adds \$105,624 in fiscal 1992 and \$81,625 in fiscal 1993 over fiscal 1990 actual expenditures. Fiscal 1990 actual expenditures contain \$134,800 of cyclical costs such as printing of fishing regulations and harvest surveys which occur in even-numbered years and, therefore, are reflected in fiscal 1992 but not in fiscal 1993.

Equipment, which reflects the agency's request, includes two boats, seven boat motors, two fish hatchery trucks for \$82,000 (\$30,000 less than requested), a \$21,000 sand filter at the Miles City Hatchery, \$11,000 for 20 fiberglass fish troughs at the Washoe Park Hatchery, \$35,150 of fish shocking equipment, \$0.49 for a biodegradable fish bait container, \$20,000 for five field wand tag detectors, and other hatchery, survey, and office equipment. Budget modifications add \$5,990 per year.

Grants include \$166,826 in fiscal 1992 for the Missouri Basin Reservations modification biennial appropriation which provides funds to the Department of Natural Resources and Conservation. Also included is \$18,500 per year for a grant to the Cooperative Fisheries Unit at Montana State University.

Transfer authority of \$1,245,000 in fiscal 1992 and \$1,505,000 in fiscal 1993 reflects Legislative Contract Authority.

FISHERIES DIVISION

Funding

The division's state special revenue funding is from the general license account. Federal funds consist of Pittman-Robertson and Dingell-Johnson grants and grants from the Coast Guard and the Corps of Engineers. The 80.6 percent increase in federal funds reflects the Legislative Contract Authority which is federally funded and the budget modifications which are funded with 75 percent federal funds. The 13.9 percent increase in state special revenue is due to the remaining 25 percent of the modifications which are funded with hunting and fishing license funds.

Funding for the Creston National Fish Hatchery is from 1983 Series bond proceeds and appears under "other" in House Bill 2.

LAW ENFORCEMENT DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	97.04	97.04		97.04	96.68	96.68		96.68
Personal Services	3,045,406	3,045,406	190,240	3,235,646	3,035,842	3,035,842	303,419	3,339,261
Operating Expenses	1,137,926	1,137,926	0	1,137,926	1,180,367	1,180,367	0	1,180,367
Equipment	103,890	103,890	0	103,890	103,890	103,890	0	103,890
Transfers	40,000	40,000	0	40,000	40,000	40,000	0	40,000
Total Costs	\$4,327,222	\$4,327,222	\$190,240	\$4,517,462	\$4,360,099	\$4,360,099	\$303,419	\$4,663,518
Fund Sources								
State Revenue Fund	4,096,340	4,096,340	190,240	4,286,580	4,129,386	4,129,386	303,419	4,432,805
Federal Revenue Fund	230,882	230,882	0	230,882	230,713	230,713	0	230,713
Total Funds	\$4,327,222	\$4,327,222	\$190,240	\$4,517,462	\$4,360,099	\$4,360,099	\$303,419	\$4,663,518

Program Description

The Law Enforcement Division is responsible for ensuring compliance with the department's laws and regulations for the protection and preservation of big game animals, fur-bearing animals, fish, game birds, and other wildlife species. It also enforces laws and regulations relative to department-owned lands or waters and those pertaining to boating, hunting, snowmobile, and all-terrain vehicle safety. Other duties include administration of special purpose licenses, overseeing the department's licensing agents, and investigating wildlife damage complaints.

Language

"[Enforcement Relocation] contains \$27,000 per year for employee relocation expenses. The department will present the fifty-third legislature with a report on historical expenditures for employee relocation. In preparing the 1995 biennial budget for legislative consideration, the Office of Budget and Program Planning and the Legislative Fiscal Analyst's office may not include the expenditures from this item in the current level base."

LAW ENFORCEMENT DIVISION

Budget as Approved by the Regular 1991 Legislative Session

The increase of 3.02 FTE results from: 1) 2.0 FTE increase from the Special Investigations modification; 2) decrease of 0.14 FTE in the Off-Highway Vehicle program, reflecting less revenue expected; 3) net loss of 0.34 FTE through program transfers; and 4) addition of 1.5 FTE authorized by the 1989 legislature in program expansions for fiscal 1991 which are continued in the 1993 biennium. In fiscal 1993, the net loss due to transfers is 0.36 FTE.

Personal services increase 5.7 percent due to: 1) budget modifications which add \$63,924 in fiscal 1992 and \$63,854 in fiscal 1993; 2) vacancy savings in fiscal 1990 including the Off-highway Vehicle program; and 3) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$126,892 in fiscal 1992 and \$126,493 in fiscal 1993.

Operating expenses increase 23.8 percent due to: 1) budget modifications which add \$70,656 in fiscal 1992 and \$70,693 in fiscal 1993; 2) \$52,823 increase in fleet charges; 3) \$15,000 per year for implementing Senate Bill 449, which gives the department authority to enforce the Board of Outfitter's regulations; 4) rent increase of \$8,233; 5) increase of \$2,594 in fiscal 1992 and \$2,634 in fiscal 1993 in the Off-highway Vehicle program, which had no expenditures in fiscal 1990; and 6) budgeting operating expenses at fiscal 1991 appropriated levels which adds \$69,591 in fiscal 1992 and \$67,413 in fiscal 1993 over fiscal 1990 actual expenditures.

Equipment, which reflects the agency's request, includes nine replacement snowmobiles, nine off-highway vehicles, six boats, four horse trailers, five horses, 16 radios, eight kayaks, and three saddles. Budget modifications add \$3,000 per year.

The \$40,000 transfer authority represents Legislative Contract Authority.

Funding

The division is funded primarily with state special revenue consisting of general license funds, motorboat certification and fuel taxes, state park funds, income from the coal tax trust, and snowmobile registration funds. Federal funding consists of grant funds from the Coast Guard and the Corps of Engineers. The increase in state special revenue funding is from the modifications which are entirely funded with hunting and fishing license revenue. Federal funding increases primarily from the Legislative Contract Authority which is federally funded.

WILDLIFE DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	98.83	98.83		98.83	98.83	98.83		98.83
Personal Services	2,975,941	2,975,941	183,795	3,159,736	2,800,234	2,800,234	292,029	3,092,263
Operating Expenses	4,160,021	4,160,021	0	4,160,021	1,992,026	1,992,026	0	1,992,026
Equipment	151,614	151,614	0	151,614	111,685	111,685	0	111,685
Grants	161,380	161,380	0	161,380	36,380	36,380	0	36,380
Transfers	1,404,500	1,404,500	0	1,404,500	1,331,500	1,331,500	0	1,331,500
Total Costs	\$8,853,456	\$8,853,456	\$183,795	\$9,037,251	\$6,271,825	\$6,271,825	\$292,029	\$6,563,854
Fund Sources								
State Revenue Fund	5,115,027	5,115,027	95,930	5,210,957	2,588,668	2,588,668	152,414	2,741,082
Federal Revenue Fund	3,738,429	3,738,429	87,865	3,826,294	3,683,157	3,683,157	139,615	3,822,772
Total Funds	\$8,853,456	\$8,853,456	\$183,795	\$9,037,251	\$6,271,825	\$6,271,825	\$292,029	\$6,563,854

Program Description

The Wildlife Division is responsible for the department's statewide Wildlife Management program to enhance the use of Montana's renewable wildlife resources for public benefit. It protects, regulates, and perpetuates wildlife populations with habitat management and regulated harvest. Through promotion of land management practices, wildlife habitat areas are maintained and enhanced. In addition, the program provides wildlife recreational opportunities to the public and provides public information regarding conservation of wildlife populations and wildlife habitats. The program manages nearly 502 species of animals legislatively categorized as big game, small game, furbearers, nongame, and threatened and endangered species. The department will request that, beginning in fiscal 1992, nongame promotion be transferred from this division to the Conservation and Education Division.

Budget as Approved by the Regular 1991 Legislative Session

The increase of 3.9 FTE results from: 1) 1.9 FTE added in budget modifications; 2) an increase of 3.5 FTE added by the department to comply with a Department of Labor ruling that department staff, rather than contracted services, conduct telephone harvest surveys; and 3) transfer of 1.5 FTE to other programs.

WILDLIFE DIVISION

Personal services increase 8.5 percent due to: 1) budget modifications which add \$73,984 in fiscal 1992 and \$7,398 in fiscal 1993; 2) \$57,180 of fiscal 1993 personal services in the Upland Game Bird program's biennial appropriation which are contained in fiscal 1992; 3) vacancy savings in fiscal 1990; and 4) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$123,998 in fiscal 1992 and \$116,676 in fiscal 1993.

Operating expenses increase 126.4 percent due to: 1) budget modifications which add \$572,296 in fiscal 1992 and \$106,850 in fiscal 1993; 2) an increase of \$1,625,449 in the Upland Game Bird program which is budgeted in fiscal 1992 as a biennial appropriation; 3) \$49,279 increase in fleet charges; 4) \$35,000 for the Sun River Game Management Area building construction budgeted as a biennial appropriation; and 5) budgeting operating expenses at fiscal 1991 appropriated levels which adds \$80,236 in fiscal 1992 and \$78,324 in fiscal 1993 over fiscal 1990 actual expenditures (after adjustments for the \$113,469 spent in fiscal 1990 in the Upland Game Bird program).

Equipment, which reflects the agency's request, includes a tractor, nine radios, six snowmobiles, three all-terrain vehicles, two camping trailers, and numerous receivers and transmitters to track game. Budget modifications add \$40,000 in fiscal 1992.

Grants reflect the \$125,000 biennial appropriation in fiscal 1992 for the Upland Game Bird Increase budget modification and the \$36,380 per year to graduate students for research projects.

The \$1,404,500 transfer authority in fiscal 1992 and \$1,331,500 in fiscal 1993 represents Legislative Contract Authority.

Funding

The majority of state special revenue funding consists of hunting and fishing license revenue. Earmarked hunting license fees entirely fund the Upland Game Bird and the Wildlife Habitat programs. Other specialized programs are financed from revenues earned from earmarked hunting and fishing license fees. Federal funding consists of Pittman-Robertson and Dingell Johnson funds as well as grants from the Coast Guard and Corps of Engineers. The legislature authorized the replacement of \$141,000 of hunting and fishing license funds in the Wildlife Division with federal funds that had been used to fund the Shooting Ranges program within the Conservation Education Division. Tax check-off funding of the Non-game program has been replaced with of hunting and fishing license revenue and is now used to fund a portion of the Watchable Wildlife program in the Conservation Education Division. Increased federal funding results from: 1) Legislative Contract Authority which is entirely federally funded; 2) the helicopter rental budget modification which is financed 75 percent with federal funds; and 3) the funding switch of hunting and fishing license revenue with federal revenue that had been used in the Conservation Education Division. The state special revenue increase is due primarily to the increase in general license account expenditures by the budget modifications and the biennial upland game bird appropriation.

PARKS DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	98.97	98.97		98.97	99.33	99.33		99.33
Personal Services	2,179,974	2,145,515	177,563	2,323,078	2,188,972	2,154,135	280,543	2,434,678
Operating Expenses	1,887,079	1,887,079	0	1,887,079	1,905,786	1,905,786	0	1,905,786
Equipment	201,660	201,660	0	201,660	216,251	216,251	0	216,251
Grants	946,266	946,266	0	946,266	246,173	246,173	0	246,173
Transfers	33,000	33,000	0	33,000	33,000	33,000	0	33,000
Total Costs	\$5,247,979	\$5,213,520	\$177,563	\$5,391,083	\$4,590,182	\$4,555,345	\$280,543	\$4,835,888
Fund Sources								
General Fund	423,055	388,596	7,682	396,278	423,064	388,227	12,396	400,623
State Revenue Fund	3,526,531	3,526,531	164,732	3,691,263	3,554,006	3,554,006	260,082	3,814,088
Federal Revenue Fund	1,014,215	1,014,215	0	1,014,215	314,122	314,122	0	314,122
Proprietary Fund	284,178	284,178	5,149	289,327	298,990	298,990	8,065	307,055
Total Funds	\$5,247,979	\$5,213,520	\$177,563	\$5,391,083	\$4,590,182	\$4,555,345	\$280,543	\$4,835,888

Program Description

The Parks Division is responsible for conserving the scenic, historic, archaeological, scientific, and recreational resources of the state and providing for their use and enjoyment. The program manages 60 parks and eight affiliated lands including natural, recreational, and cultural sites. It also maintains 300 fishing access sites. Programs administered by the program include snowmobile, off-highway, Land and Water Conservation, capitol grounds maintenance, and the Montana Conservation Corps. The State Park Futures Committee was appointed by the Governor during the 1991 biennium to seek public comment and to develop solutions on solving funding needs for this program.

Special Session Action

The 1992 special session reduced the appropriations for the Park Futures Committee budget modification and the Montana Conservation Corps program by 8 percent. Refer to the Special Session Action table and narrative located at the agency level.

PARKS DIVISION

Language

"[Parks Division] contains \$246,266 federal funds and \$50,323 general fund in fiscal 1992 and \$246,173 federal funds and \$50,324 general fund in fiscal 1993 for the Montana Conservation Corps. It is the intent of the legislature that the department provide a liaison position to coordinate this program with the Human Resource Development Council."

Budget as Approved by the Regular 1991 Legislative Session

The increase of 2.79 FTE results from: 1) 5.35 FTE added in the four budget modification; 2) elimination of 1.7 FTE from the Montana Conservation Corps program; and 3) transfer of 0.86 FTE to other programs. The 0.36 FTE increase between fiscal 1992 and fiscal 1993 reflects a net program transfer from the Law Enforcement Division to the Off-highway Vehicle program in the Parks Division.

Personal services increase 21.9 percent due to: 1) budget modifications which add \$114,397 in fiscal 1992 and \$114,253 in fiscal 1993; 2) vacancy savings in fiscal 1990 including the Off-highway Vehicle and Montana Conservation Corps programs, which were not operational in fiscal 1990; and 3) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$93,791 in fiscal 1992 and \$94,164 in fiscal 1993.

Operating expenses increase 33.5 percent due to: 1) budget modifications which add \$354,353 in fiscal 1992 and \$354,499 in fiscal 1993; 2) an increase of \$13,053 in fiscal 1992 and \$13,152 in fiscal 1993 in the Montana Conservation Corps program; 3) an increase of \$34,263 in fiscal 1992 and \$25,240 in fiscal 1993 in the Off-highway Vehicle program, which had no expenditures in fiscal 1990; 4) \$9,491 increase in fleet charges; and 5) budgeting operating expenses at fiscal 1991 appropriated levels, which adds \$62,708 in fiscal 1992 and \$32,898 in fiscal 1993 over fiscal 1990 actual expenditures.

Equipment, which is budgeted at the agency's request, plus an additional \$750 per year for the Montana Conservation Corps, includes mowers, one grader, one backhoe, a dump truck, and snowmobile trail grooming machinery. Budget modifications add \$75,000 in fiscal 1992 and \$75,000 in fiscal 1993.

Grants represent \$246,266 in fiscal 1992 and \$246,173 in fiscal 1993 for grants associated with the Montana Conservation Corps program and the \$700,000 Land and Water Conservation Fund biennial appropriation in fiscal 1992 (\$121,315 was spent in fiscal 1990).

Transfer authority represents \$8,000 per year for the snow removal contingency which would be expended during winters with unusual amounts of snowfall, and \$25,000 per year in Legislative Contract Authority.

Funding

General fund is used for the first time since fiscal 1987 to finance a portion of the Parks Division. General fund appropriations consist of \$676,176 for the Parks Future Committee modification and \$100,647 in the Montana Conservation Corps program for the biennium. State special revenue increases primarily to higher personal services, greater equipment expenditures and the fishing access maintenance

PARKS DIVISION

modification. The largest state special revenue funding source for the Parks Division is from the Park Acquisition coal tax trust earnings, followed by fuel taxes on motorboats and snowmobiles. Earmarked fishing license fee revenue is used to purchase and maintain fishing access sites. Other state special revenue include off-highway vehicle funds and snowmobile registrations. Federal funding consists of grants for parks and federal overhead funds. Land and Water Conservation grants fund the division's grants to counties for public outdoor recreation areas and facilities. The increase in federal funding is due to the \$700,000 biennial Land and Water Conservation Fund appropriation in fiscal 1992 and \$246,266 of federal funds in the Montana Conservation Corps program. The department funds two activities through proprietary accounts. The Capitol Grounds Maintenance program provides ground maintenance and snow removal for all state agencies within the capitol complex. These agencies pay proportionately based upon their square footage of office space. The snowgroomer replacement account finances the replacement of machinery used to groom over 3,200 miles of trails for snowmobile use.

CONSERVATION EDUCATION DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	25.15	25.15		25.15	25.15	25.15		25.15
Personal Services	816,938	816,938		863,815	789,336	789,336		863,923
Operating Expenses	663,159	663,159	46,877	663,159	666,076	666,076	74,587	666,076
Equipment	18,940	18,940	0	18,940	19,000	19,000	0	19,000
Grants	114,272	114,272	0	114,272	0	0	0	0
Transfers	30,000	30,000	0	30,000	30,000	30,000	0	30,000
Total Costs	\$1,643,309	\$1,643,309	\$46,877	\$1,690,186	\$1,504,412	\$1,504,412	\$74,587	\$1,578,999
<u>Fund Sources</u>								
State Revenue Fund	1,436,473	1,436,473	46,877	1,483,350	1,291,174	1,291,174	74,587	1,365,761
Federal Revenue Fund	206,836	206,836	0	206,836	213,238	213,238	0	213,238
Total Funds	\$1,643,309	\$1,643,309	\$46,877	\$1,690,186	\$1,504,412	\$1,504,412	\$74,587	\$1,578,999

Program Description

The Conservation Education Division, through its Helena office and seven regional information officers, is the department's primary information and education program. Its responsibilities include: 1) distributing public information through news releases, audio-visual materials, brochures, and public service announcements; 2) coordinating youth education programs; 3) printing hunting, fishing, and trapping regulations; 4) coordinating the hunter, bowhunter, snowmobile, boat, and off-highway vehicle education and safety programs; and 5) providing reception services for the department's Helena headquarters. The program publishes the Montana Outdoors magazine, produces 16mm color films, radio and television public service announcements and video documentaries, and maintains a film lending library. The department will request that, beginning in fiscal 1992, nongame promotion be transferred to this division from the Wildlife Division.

Budget as Approved by the Regular 1991 Legislative Session

The increase of 1.35 FTE results from: 1) 1.1 FTE increase due to transfers from other programs; and 2) addition of 0.25 FTE authorized by the 1989 legislature in program expansions for fiscal 1991 which are continued in the 1993 biennium. The 0.6 FTE contained in the Watchable Wildlife modification is included in the fiscal 1990 figure. This modification was approved by the 1989 legislature.

CONSERVATION EDUCATION DIVISION

Personal services increase 8.3 percent due to: 1) \$16,016 in fiscal 1992 and \$15,977 in fiscal 1992 from the Watchable Wildlife budget modification; 2) vacancy savings in fiscal 1990 including the Off-highway Vehicle program which was not operational in fiscal 1990; 3) \$13,872 of fiscal 1993 personal services in the Shooting Ranges program's biennial appropriation which are contained in fiscal 1992; and 4) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$34,039 in fiscal 1992 and \$32,889 in fiscal 1993.

Operating expenses increase 22.2 percent due to: 1) budget modifications which add \$60,209 in fiscal 1992 and \$60,249 in fiscal 1993; 2) an increase of \$493 in fiscal 1992 and \$499 in fiscal 1993 in the Off-highway Vehicle program which had no expenditures in fiscal 1990; 3) \$804 increase in fleet charges; 4) \$6,835 increase in the biennial Shooting Ranges program appropriation in fiscal 1992; and 5) budgeting operating expenses at fiscal 1991 appropriated levels which adds \$52,097 in fiscal 1992 and \$60,976 in fiscal 1993 over fiscal 1990 actual expenditures.

Equipment, which is budgeted at the agency's request, includes videos, televisions, and cameras.

Grants represent \$114,272 in fiscal 1992 for grants associated with the Shooting Ranges biennial appropriation.

Transfer authority represents \$30,000 per year in Legislative Contract Authority.

Funding

The division's largest funding source is revenue from hunting and fishing license fees. Other state special revenue includes coal tax trust earnings, snowmobile fuel tax, and off-highway vehicle fines. The legislature replaced general license account funding for the Watchable Wildlife modification with \$27,377 per year of tax check-off funding from the Wildlife Division. The legislature also replaced \$141,000 of federal funds with general license account funding for financing the Shooting Ranges program biennial appropriation.

DEPARTMENT MANAGEMENT

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	41.23	41.23		41.23	41.23	41.23		41.23
Personal Services	1,364,399	1,364,399	78,341	1,442,740	1,363,218	1,363,218	125,430	1,488,648
Operating Expenses	1,010,420	1,010,420	0	1,010,420	838,340	838,340	0	838,340
Equipment	42,220	42,220	0	42,220	23,471	23,471	0	23,471
Capital Outlay	10,000	10,000	0	10,000	10,000	10,000	0	10,000
Grants	160,000	160,000	0	160,000	160,000	160,000	0	160,000
Transfers	100,000	100,000	0	100,000	100,000	100,000	0	100,000
Total Costs	\$2,687,039	\$2,687,039	\$78,341	\$2,765,380	\$2,495,029	\$2,495,029	\$125,430	\$2,620,459
Fund Sources								
State Revenue Fund	2,014,548	2,014,548	78,341	2,092,889	1,844,039	1,844,039	125,430	1,969,469
Federal Revenue Fund	672,491	672,491	0	672,491	650,990	650,990	0	650,990
Total Funds	\$2,687,039	\$2,687,039	\$78,341	\$2,765,380	\$2,495,029	\$2,495,029	\$125,430	\$2,620,459

Program Description

The Department Management Division is responsible for: 1) overall department direction regarding policy, planning, program development, guidelines and budgets; 2) liaison with the Governor's Office and the legislature; 3) direct interaction with the Fish and Game Commission; 4) decision making for key resource activities affecting the department; 5) administration of seven major divisions that provide program development and staff support; 6) supervision of eight regional offices that are responsible for program implementation; 7) legal services for the department (transferred from the Administration and Finance program); and 8) liaison with Montana's Indian tribes and with other state and federal agencies.

Special Session Action

The 1992 special session included language limiting the use of state aircraft in transporting Fish, Wildlife, and Parks' commissioners to and from commission meetings.

DEPARTMENT MANAGEMENT

Language

"[Department Management Division] contains \$5,500 in fiscal 1992 to print the department's five-year strategic plan. In preparing the 1995 biennial budget for legislative consideration, the Office of Budget and Program Planning and the Legislative Fiscal Analyst's office may not include the expenditures from this item in the current level base."

"[Geographic Information System] contains \$50,000 in fiscal 1992 and \$40,000 in fiscal 1993 for a pilot project to evaluate potential uses of a geographic information system within the department. In preparing the 1995 biennial budget for legislative consideration, the Office of Budget and Program Planning and the Legislative Fiscal Analyst's office may not include the expenditures from this item in the current level base."

"Fish, Wildlife and Parks Commission commissioners cannot be flown to or from Fish, Wildlife and Parks commission meetings in state-owned aircraft unless documented costs savings over other transportation options can be achieved."

Legislative Intent

It is the intent of the legislature that the FTE associated with the legal services budget modification may be either a paralegal or a lawyer.

Budget as Approved by the Regular 1991 Legislative Session

The increase of 10.1 FTE results from: 1) 1.0 FTE from the Legal Services - EPP budget modification; and 2) 9.1 FTE due to transfers from other programs, including 4.0 FTE due to reorganization of the Legal Unit from the Administration and Finance Division.

Personal services increase 18.0 percent due to: 1) \$28,845 in fiscal 1992 and \$28,777 in fiscal 1992 from the Legal Services budget modification; 2) vacancy savings in fiscal 1990; 3) budgeting per diem at fiscal 1991 appropriated level; and 4) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$56,850 in fiscal 1992 and \$56,801 in fiscal 1993.

Operating expenses increase 90.7 percent due to: 1) budget modifications which add \$335,218 in fiscal 1992 and \$170,824 in fiscal 1993; 2) a decrease of \$50,479 per year for one-time-only expenses contained in the fiscal 1990 figure; 2) an increase of \$16,000 fiscal 1992 and \$10,500 in fiscal 1993 due to the reorganization of the Planning Unit to the Department Management Division; 3) \$934 increase in rent; 4) \$249 increase in fleet charges; 5) \$30,000 per year increase for additional fixed costs associated with the new headquarters in Miles City and Billings; and 5) budgeting operating expenses at fiscal 1991 appropriated levels which adds \$148,558 in fiscal 1992 and \$144,733 in fiscal 1993 over fiscal 1990 actual expenditures. Differences between fiscal 1992 and fiscal 1993 are due to the \$170,000 Sikes Act biennial appropriation, \$6,600 for legal book printing which occurs in even-numbered years, and \$5,500 in fiscal 1992 only for printing of a five-year strategic plan.

DEPARTMENT MANAGEMENT

Equipment, which is budgeted at the agency's request, includes a copier, miscellaneous office equipment, and computer software. Budget modifications add \$17,035 in fiscal 1992 and \$1,500 in fiscal 1993.

Capital outlay is appropriation for replacement and repair of mechanical systems in headquarters.

Grants represent: 1) \$25,000 per year contained in current level and \$25,000 in the Interagency Support modification for a total of \$50,000 per year to the Natural Heritage program in the Montana State Library; 2) \$90,000 per year in current level and \$20,000 per year in the Predator Control modification for a total of \$110,000 per year to the Department of Livestock for predator control.

Transfer authority represents \$100,000 per year of Legislative Contract Authority.

Funding

The division is funded with hunting and fishing license fee revenue and a portion of the federal indirect cost pool. Increased state special revenue results from budget modifications which are financed with hunting and fishing license revenue. The biennial appropriation for the Sikes Act modification is funded with \$150,000 general license account revenue and \$20,000 federal revenue. Legislative Contract Authority is federally funded.

DEPARTMENT OF STATE LANDS

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	359.71	359.71		359.71	366.37	366.37		366.37
Personal Services	9,604,731	9,321,270	670,327	9,991,597	9,760,323	9,496,793	1,093,557	10,590,350
Operating Expenses	10,898,889	16,285,289	0	16,285,289	7,159,941	7,036,441	0	7,036,441
Equipment	1,006,847	982,847	0	982,847	775,470	762,137	0	762,137
Capital Outlay	5,005,000	5,005,000	0	5,005,000	5,005,000	5,005,000	0	5,005,000
Grants	265,000	265,000	0	265,000	265,000	265,000	0	265,000
Transfers	100,000	44,000	0	44,000	100,000	44,000	0	44,000
Total Costs	\$26,880,467	\$31,903,406	\$670,327	\$32,573,733	\$23,065,734	\$22,609,371	\$1,093,557	\$23,702,928
Fund Sources								
General Fund	8,979,274	14,058,213	286,734	14,344,947	8,631,604	8,231,241	469,236	8,700,477
State Revenue Fund	7,904,626	7,904,626	297,138	8,201,764	4,510,344	4,510,344	479,740	4,990,084
Federal Revenue Fund	9,808,543	9,752,543	84,524	9,837,067	9,738,175	9,682,175	141,460	9,823,635
Proprietary Fund	188,024	188,024	1,931	189,955	185,611	185,611	3,121	188,732
Total Funds	\$26,880,467	\$31,903,406	\$670,327	\$32,573,733	\$23,065,734	\$22,609,371	\$1,093,557	\$23,702,928

Agency Description

The Department of State Lands (DSL) has four basic functions: 1) management of the lands held by the state in trust for the support of the common schools and other institutions; 2) regulation of mining conducted on private, state, and federal lands; 3) fire prevention and suppression on certain private, state, and federal lands; and 4) regulation of and assistance to private forest land owners. The State Board of Land Commissioners, comprised of the Governor, State Auditor, Attorney General, Superintendent of Public Instruction, and the Secretary of State, is the head of the department and exercises the general authority, direction, and control over the care, management, and disposition of state lands under its administration. Section 2-15-3201, MCA, provides the statutory authority for the department. The Commissioner of State Lands is the chief administrative officer of the board.

DEPARTMENT OF STATE LANDS

Special Session Action

		Executive Budget Proposal		Legislative Budget Action			
		=====		=====		=====	
Description	Rgm	--- Fiscal 1992 ---	--- Fiscal 1993 ---	--- Fiscal 1992 ---	--- Fiscal 1993 ---	Other Funds	Other Funds
		General Fund	General Fund	General Fund	General Fund		
House Bill 2							
1 Equalization Payments	01	(\$21,200)	(\$21,200)				
2 Program Reductions	01	(8,500)			(21,200)		
3 State Lands Economic Study	01						
4 Vacant Position	01	(32,000)	(36,000)		(29,700)		
5 Program Reduction	03	(24,774)	(25,663)		(50,000)		
6 Program Reduction	04	(42,000)	(15,000)		(32,000)		
7 Appraiser Position	25	(33,000)	(33,000)		(24,774)		
8 Federal Fire Reimbursement	25				(42,000)		
9 Fire Capital Equipment	25		(13,333)		(33,000)		
10 Fire Retardant Contract	25	(2,000)			(13,333)		(56,000)
11 Forest Fire FY92 Costs	25	6,373,650			(2,000)		
12 Metal Building	25	(24,000)			5,573,650		
13 Nursery Funds	25	(35,000)	(35,000)		(24,000)		
14 Nursery Program Reduction	25	(18,000)	(18,000)		(35,000)		
15 NW Field Office Vacancy	25	(5,000)	(15,000)		(18,000)		
16 Program Reductions	25	(50,000)	(50,000)		(5,000)		
17 Rebuild Engines	25	(35,250)	(23,500)		(50,000)		
18 Seasonal Employees	25	(48,987)	(49,667)		(35,250)		
19 Slash Funds	25	(60,000)	(60,000)		(48,987)		
20 Swan River Lumber	25	(5,000)	(5,000)		(60,000)		
Totals		5,928,939	(400,363)	39,000	5,078,939	(56,000)	(56,000)

1) Equalization Payments - Since 1986, \$265,000 has been appropriated annually to counties as payment in lieu of taxes, even though this amount is less than the amount required by the statutory formula. The Executive Budget proposed to reduce the \$265,000 appropriation by 8 percent each year. The legislature did not approve this reduction.

DEPARTMENT OF STATE LANDS

2, 4, 5, 6, 7, 14, 15, 16, 18) Vacancy Savings - The 1991 legislature imposed 4 percent vacancy savings on the agency for the 1993 biennium. During the 1992 special session, the Executive Budget proposed additional vacancy savings of \$262,261 in fiscal 1992 and \$242,330 in fiscal 1993. The legislature approved \$283,461 in fiscal 1992 and \$263,530 for an additional 4.4 percent vacancy savings in all programs in fiscal 1992 and 3.8 percent in fiscal 1993 in positions funded totally or partially with general fund. Although the reductions are in personal services, operation expense authority may be transferred to personal services if vacancy savings are inadequate to meet the reduction.

3) State Lands Economic Study - The 1991 legislature approved \$250,000 general fund for an economic study of the surface uses of state lands and \$50,000 general fund for startup costs associated with House Bill 778. The 1992 special session reduced the amount appropriated for the study to \$200,000.

8) Federal Fire Reimbursement - The Executive Budget proposed and the legislature approved a \$56,000 reduction (from \$100,000 to \$44,000 per year) in the amount of reimbursements from federal agencies to the Forestry Division the agency can spend for its administrative assistance in fighting "federal" fires. Federal fire reimbursement funds not appropriated to the agency are deposited in the general fund. Therefore, this reduction in federal appropriations increases revenue to the general fund.

9, 12, 17) Equipment Reductions - Forestry Division equipment reductions of \$59,250 in fiscal 1992 and \$36,833 in fiscal 1993 proposed in the Executive Budget and approved by the legislature are for: 1) less fire suppression equipment engine rebuilding; 2) elimination of a new metal building; and 3) fewer purchases of new forest fire capital equipment.

10, 20) Operations Reductions - The Executive Budget proposed and the legislature approved reductions in the Forestry Division's operating expenses as follows: 1) \$2,000 less fire retardant in fiscal 1992; and 2) \$5,000 less timber purchased from state-owned land each year.

11) Forest Fire FY92 Costs - The Executive Budget proposed a general fund increase of \$6,373,650 in the Forestry Division's operating budget to pay fire suppression costs incurred in fiscal 1992. The legislature approved \$5,573,650 of actual costs. Approximately \$1 million of these costs are expected to be reimbursed by the federal government, of which \$44,000 is retained by the department (see #8 above) and the remainder is deposited in the general fund.

13, 19) Nursery/Slash Funding Switch - General fund operating expenses in the Forestry Division are reduced \$95,000 each year and replaced by \$60,000 of excess fund balance in the slash account and \$35,000 generated by a \$.03 increase in nursery seedling prices. No additional state special revenue funding was appropriated because the department had excess authority. The slash account receives deposits from fire hazard reduction agreement fees and a \$0.60 fee per 1,000 board feet up to 500,000 board feet on all private timber cut in the state.

In addition to actions directly affecting the Department of State Lands' budget, the 1992 special session enacted House Bill 3. This legislation amends section 20-9-341, MCA to provide for the deposit of funds from the sale of timber from state school lands in the "interest and income" account. It also excludes this revenue for purposes of determining revenue to be deposited in the resource development account (section 77-1-607, MCA) so that 95 percent of the income (estimated at \$4.9 million for the biennium) would be

DEPARTMENT OF STATE LANDS

deposited into the state equalization account and 5 percent would be added to the common school trust. Previously, 100 percent of timber sale revenue was deposited into the common school trust. The legislation terminates June 30, 1993.

Budget as Approved by the Regular 1991 Legislative Session

The department's FTE increases by 30.79 in fiscal 1992 and by 37.45 in fiscal 1993 from the fiscal 1990 level. Budget modifications add 24.02 FTE in fiscal 1992 and 30.68 in fiscal 1993. The 1989 legislature authorized an increase of 7.77 FTE in fiscal 1991 which are continued in the 1993 biennium. One FTE, vacant all of fiscal 1990, was eliminated in the Forestry program due to loss of federal funding.

The 19.5 percent increase in personal services reflects: 1) budget modifications; 2) vacancy savings in fiscal 1990; 3) pay exceptions for hydrologists, environmental specialists and civil engineers in the Reclamation and Lands divisions totaling \$68,879 in fiscal 1992 and \$69,186 in fiscal 1993; and 4) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in agency funding for personal services of \$397,604 in fiscal 1992 and \$404,089 in fiscal 1993. In Volume I of this report in the "Pay Plan" section is a description of the pay plan increase and a table showing allocations to each agency.

The 65.3 percent increase in operating expenses reflects: 1) budget modifications; 2) \$3,300,000 of biennial appropriations in the Reclamation program, which are budgeted in fiscal 1992; and 3) budgeting expenses at fiscal 1991 appropriated levels, which are higher than fiscal 1990 actual expenditures.

The legislature approved the agency's request for equipment in all programs. Budget modifications added \$313,577 in fiscal 1992 and \$158,900 in fiscal 1993.

The capital outlay appropriations are primarily in the Reclamation program for construction activity in reclaiming abandoned mines sites. Grants reflect the state equalization payments to counties for lost property taxes on state-owned lands. Transfers is the authority to spend federal reimbursements for state funds expended in fighting fires under federal jurisdiction.

The Executive Budget proposed to reorganize the Department of State Lands as part of a general reorganization of natural resource agencies. The Reclamation Division and a portion of Central Management were to be transferred to the Department of Natural Resources and Conservation (Department of Natural Resources and Environment) and the Fire Services Training School was to be transferred to the Department of State Lands. The proposed reorganization legislation (House Bill 866) was not enacted.

DEPARTMENT OF STATE LANDS

Summary of Budget Modifications

	PGM	FTE	FY 1992-			FY 1993-		
			General Fund	Other Funds	FTE	General Fund	Other Funds	
1 Trust Land Access Econ. Study	01		\$ 250,000					
2 Helena Office Support Staff	01	2.00	16,451	31,796	2.00	16,350	31,796	
3 Royalty Auditor Travel Expense	01			10,469			10,469	
4 Revised Lease for Office Space	01		82,992			82,992		
5 SB253-Opencut Reclamation	03			15,500			15,500	
6 Coal Bureau Workload	03	3.58		144,375	5.00		155,667	
7 Abandoned Mine Rent	03			17,784			17,784	
8 Hard Rock Workload	03	3.04		123,609	4.00		116,747	
9 Coal and Uranium Rent	03			17,784			17,784	
10 Hard Rock Increase	03			100,000	3.00		100,000	
11 Environmental Compliance	03	3.00		129,289	4.75	115,923	106,190	
12 Trust Land Management	04	2.25	90,629					
13 Cabin Site Sales	04			70,000				
14 Fire Supplemental	25		5,573,650					
15 State/County Cooperative Fire	25	.50	43,040	21,517	1.08	42,670	21,333	
16 Urban Forestry Assistance	25	1.75		156,759	1.75		156,764	
17 Forest Resource Management Pgm	25	2.25		336,974	2.75		259,465	
18 Best Management Practice Audit	25		10,000					
19 HB731-Streamside Mgn. Zones	25	1.25	52,463		1.25	37,018		
20 Slash Increase	25	.75		31,384	.75		31,385	
21 Block 5 and Philipsburg Fire	25	2.65	67,425	33,712	3.35	68,458	34,228	
22 Best Management Practices Work	25	1.00	23,435		1.00	23,437		
23 Forestry Capital Equipment	25		100,383	42,117		100,383	42,117	
Totals		24.02	\$6,310,468	\$1,283,069	30.68	\$487,231	\$1,117,229	

1) The Trust Land Access Economic Study budget modification provides \$200,000 in fiscal 1992 for the development of an economic study of the surface uses of state lands, with emphasis on recreational uses. In addition, it provides \$50,000 to fund startup costs for implementation of House Bill No. 778 which allows recreational use of state lands by the public. The \$250,000 appropriated by the 1991 legislature for the study was reduced \$50,000 by the 1992 special session.

2) The Helena Office Support Staff budget modification provides support in the area of computer maintenance, training, and assistance.

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- 3) The Royalty Auditor Expense budget modification continues funding the travel expenses of a royalty auditor located in the Department of Revenue. The Department of Revenue pays the salary of this auditor and the Department of State Lands pays the operational expenses. The auditor travels to larger cities in the United States to examine taxpayers' accounting records to determine whether appropriate royalties on the gross value of gas, oil, and coal extracted from school trust lands have been collected.
- 4) The Revised Lease for Office Space funds the rental of 10,800 square feet of additional office space within the same building currently occupied by the department's central offices.
- 5) The SB 253 - Opencut Reclamation modification provides spending authority for fees and penalties deposited into a newly created opencut mining and reclamation state special revenue account for reclamation, revegetation, research, rehabilitation of water, and administration of opencut mining activities. The money had previously been deposited into the general fund.
- 6) The Coal Bureau Workload modification provides the authority for additional positions to meet the demands of existing workload and an expected workload increase in the 1993 biennium. These positions would allow the Coal and Uranium Bureau to complete reviews of permit applications and application amendments, process bond release applications, and evaluate environmental baseline and monitoring data.
- 7) & 9) The Abandoned Mine Rent and Coal and Uranium Rent modifications fund the rental of 4,320 square feet of office space within the same building currently occupied by the Department of State Lands. Additional rental authority for 10,080 square feet is contained in a budget modification within the Central Management program.
- 8) The Hard Rock Bureau Workload modification provides the authority for additional positions to meet the demands of existing workload and an expected workload increase in the 1993 biennium. These positions would allow the Hard Rock Bureau to review applications for new mines, review application amendments, and monitor mining activity at permitted mines.
- 10) The Hard Rock Increase modification provides additional contracting authority to assist in permitting analysis, preparation of environmental assessments, expert testimony, and technical consultation. This modification was made contingent on House Bill 448, which was enacted.
- 11) The Environmental Compliance modification funds additional personnel to manage the preparation of environmental assessments and environmental impact statements and to provide department-wide guidance on the applicability, preparation, and distribution of these documents.
- 12) The Trust Land Management modification funds additional positions to assist with lease stipulations and follow-up field reviews, illegal land use investigations, and resource planning on grazing, agricultural, mineral, and special use lands. In addition, the department has expanded its investigations of land exchanges, land sales, land use licenses, right-of-way easements, and other land-related issues on trust lands.
- 13) The Cabinsite Sales modification funds expenses associated with the sale of cabin or home sites such as appraisals, title searches, surveys, travel and contract expenses. Revenue is derived from a fee charged to the applicant.

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- 14) The Fire Supplemental modification, approved by the 1992 special session, funds actual fire suppression costs incurred in the summer and fall of 1991.
- 15) The State/County Cooperative Fire modification expands the State/County Cooperative Fire program to include Lake, Lincoln, and Sanders counties in cooperative fire control agreements with the state. From 1967 to date, the department has entered into cooperative fire protection agreements with 49 counties. The state/county agreements specify the general duties and responsibilities of each entity in fire protection and cooperation. The state provides wildland fire training and equipment to the counties for unprotected areas. The county, state, and federal agencies provide mutual aid on an as-needed basis for suppression.
- 16) The Urban Forestry Assistance modification which implements President Bush's "America the Beautiful" proposal in Montana, allows the department to provide forestry assistance to communities. The legislature stipulated that emphasis should be on replacing dead, diseased and infected trees in Montana's communities. Funding is federal revenue.
- 17) The Forestry Resource Management Program modification allows the department to accomplish four tasks: a) increase its technical forestry assistance to non-industrial private landowners; b) promote active management and protection of all forest resources such as timber, wildlife, soil, water and recreation; c) pay travel expenses of member state foresters who would attend Council of Western State Foresters committee meetings; and d) produce a watershed cumulative effects pilot model and a streamside management guidebook. Funding is federal revenue.
- 18) The Best Management Practices Audit modification provides general fund to conduct audits, in consultation with the Environmental Quality Council, of the application and effectiveness of voluntary best management practices for timber sales.
- 19) The HB 731 - Streamside Management Zones modification provides staff and funding to develop rules implementing forest practices streamside management standards and to inspect and conduct onsite consultations of federal, state or private land to review harvest plans and watershed conditions.
- 20) The Slash Increase modification provides the spending authority for personnel and equipment to handle an increasing workload in administering the state's hazard reduction and timber slash and debris statutes. Fees of \$25 for each hazard reduction agreement and \$0.60 per 1,000 board feet sold are collected for use by the department. As workload increases, additional funds have become available and spending authority is required to fulfill the state's responsibilities.
- 21) The Block 5 and Phillipsburg Fire modification provides the necessary resources to assume full fire protection responsibilities for additional state and private lands in two main categories: 1) state and private forests acreage currently contracted with the U.S. Forest Service for fire protection; and 2) the new Phillipsburg Forest Fire Protection District. The department currently contracts with the U.S. Forest Service for fire protection on blocks of state and private land. In exchange, the department provides protection on some federal land. There are currently 58,000 more state and private acres protected by the U.S. Forest Service than federal acres protected by the department. This budget modification allows the department to assume this final block of wildfire protection acreage which will end this acreage imbalance. Since 1984, the legislature has approved the transfer of four blocks of fire protection responsibility by the department. The majority of the land in this final transfer involves federal land in the Dillon area. This

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modification also funds the creation of the Philipsburg Forest Fire Protection District, consisting of 120,000 acres of private and state land now in the Anaconda Protection Unit.

22) The Best Management Practices Work modification adds additional personnel to handle an accelerating caseload in the Forest Practices program. House Bill 678 (1989 legislative session) implemented this program which helps loggers and forest landowners avoid impacts on water quality by using best management practices (BMP). DSL foresters review harvest plans, provide BMP information, do pre-harvest field consultations on priority areas, and re-visit a limited number of sites after harvest to rate BMP application and effectiveness.

23) The Forestry Capital Equipment funds new vehicles. In recognition of historically insufficient funding replacement of equipment, the 1989 appropriations subcommittee asked the department to prepare a vehicle replacement schedule for submission to the 1991 legislature. Replacement schedules for seven classes of vehicles were developed based on either age or mileage. This modification represents less than 40 percent of the total amount for the first biennium to phase in the full biennial replacement schedule of \$721,826. Such a vehicle replacement schedule would allow the department to plan for systematic replacement of vehicles to reduce the average age of its 282 vehicle fleet.

Funding

In the 1991 session, the Executive Budget proposed that \$7.5 million of revenue earned from state school trust lands fund the agency's budget. Since questions were raised about the constitutionality of this funding method, the department did not submit the necessary legislation and the executive proposal was revised to request general fund support for these costs.

The 78.7 percent increase in general fund from fiscal 1990 actual expenditures to fiscal 1992 is the result of actual fire suppression costs appropriated by the 1992 special session, budget modifications and higher personal services costs. The 103.0 percent increase in state special revenue is due to biennial appropriations which are budgeted in fiscal 1992, budget modifications, higher personal services costs, and general program increases as a result of using fiscal 1991 appropriations as the budget base instead of fiscal 1990 actual expenditures (which are lower). Proprietary funds reflect the increased appropriation level in the Aviation program within Central Management.

CENTRAL MANAGEMENT PROGRAM

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	35.22	35.22		35.22	35.22	35.22		35.22
Personal Services	1,029,108	967,408	99,632	1,067,040	1,028,585	971,385	100,375	1,071,760
Operating Expenses	1,001,797	951,797	0	951,797	657,051	657,051	0	657,051
Equipment	21,000	21,000	0	21,000	21,000	21,000	0	21,000
Grants	265,000	265,000	0	265,000	265,000	265,000	0	265,000
Total Costs	\$2,316,905	\$2,205,205	\$99,632	\$2,304,837	\$1,971,636	\$1,914,436	\$100,375	\$2,014,811
<u>Fund Sources</u>								
General Fund	1,876,335	1,764,635	92,934	1,857,569	1,536,127	1,478,927	89,687	1,568,614
State Revenue Fund	139,892	139,892	0	139,892	137,302	137,302	0	137,302
Federal Revenue Fund	112,654	112,654	4,767	117,421	112,596	112,596	7,567	120,163
Proprietary Fund	188,024	188,024	1,931	189,955	185,611	185,611	3,121	188,732
Total Funds	\$2,316,905	\$2,205,205	\$99,632	\$2,304,837	\$1,971,636	\$1,914,436	\$100,375	\$2,014,811

Program Description

The Central Management program provides administrative and operational support services to all programs within the department. Support services include fiscal affairs, data processing, personnel, legal, reception, mail, and aviation. Responsibilities include trust revenue collection and distribution; oil, gas, and coal royalty audits; and maintenance of ownership records for trust and non-trust state-owned land.

Special Session Action

The 1992 special session reduced the 1993 biennium general fund appropriations for the program by 4.7 percent. Refer to the Special Session Action table and narrative located at the agency level.

CENTRAL MANAGEMENT PROGRAM

Language

"The \$250,000 general fund appropriation in [Trust Land Access] is to be used for an economic study (\$200,000) of the surface uses of state lands, with emphasis on recreational uses, and for startup costs (\$50,000) of the recreational access program mandated in Chapter 609, Laws of 1991. The study of recreational uses must be performed by an economist with experience in analysis of the economic value of recreation."

"The department shall conduct a study of the options and methods available for allocating administrative costs to the various state special revenue funds managed by the agency. The department shall present the findings of its study to the Legislative Finance Committee by July 1, 1992, along with its recommendation, affected accounts, and any required statute changes".

Budget as Approved by the Regular 1991 Legislative Session

Personal services increase 8.7 percent and 2.72 FTE due to: 1) vacancy savings in fiscal 1990; 2) continuation of the fiscal 1991 pay plan increase in the 1993 biennium; 3) transfer of 0.72 FTE from the Forestry program; and 4) budget modifications which add 2.0 FTE at a cost of \$43,847 in fiscal 1992 and \$43,746 in fiscal 1993. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$42,879 in fiscal 1992 and \$42,858 in fiscal 1993.

The 67.3 percent increase in operating expenses is due to the net effect of: 1) an increase of \$397,861 in fiscal 1992 and \$97,861 in fiscal 1993 from budget modifications; 2) a decrease of \$38,047 in fiscal 1992 and \$40,637 in fiscal 1993 for the trust land management system; and 3) budgeting at fiscal 1991 appropriated levels which adds \$35,910 in fiscal 1992 and \$1,169 in fiscal 1993. Audit costs of \$41,038 are contained in fiscal 1992 as a biennial appropriation, which represents an increase of \$7,415 from fiscal 1990.

Equipment, which was approved at the agency's request, includes five computers and a helicopter mover in fiscal 1992 and seven computers in fiscal 1993.

Grants are state land equalization payments to 18 counties where state land is in excess of 6 percent of the county area. Appropriations for foregone property tax revenue have remained at \$265,000 per year since 1986.

Funding

The program is funded with general fund, resource development funds, reclamation and development funds, federal indirect grant reimbursements, and a proprietary fund. The resource development fund, which receives up to 2.5 percent of the income generated by state trust lands, finances \$213,602 for the biennium of program expenses including the trust land management system, the \$10,500 yearly travel cost of the oil and gas royalty auditor, and other program costs. The reclamation and development account funds are used to finance \$31,796 per year of the Helena Office Support Staff modification. The Aviation program's direct costs (such as fuel and

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maintenance) are financed from the proprietary fund while its fixed costs are paid with general fund. The net 27.6 percent increase in general fund from fiscal 1990 actual expenditures to fiscal 1992 is due to: 1) higher personal services costs, which are funded primarily with general fund; 2) budget modifications which add \$399,443 in fiscal 1993 and \$99,342 in fiscal 1993; and 3) reductions by the 1992 special session of \$111,700 in fiscal 1992 and \$57,200 in fiscal 1993.

RECLAMATION PROGRAM

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	51.62	51.62		51.62	54.00	54.00		54.00
Personal Services	1,541,460	1,516,686	103,405	1,620,091	1,602,108	1,576,445	184,204	1,760,649
Operating Expenses	6,650,474	6,650,474	0	6,650,474	3,360,114	3,360,114	0	3,360,114
Equipment	171,732	171,732	0	171,732	83,857	83,857	0	83,857
Capital Outlay	5,000,000	5,000,000	0	5,000,000	5,000,000	5,000,000	0	5,000,000
Total Costs	\$13,363,666	\$13,338,892	\$103,405	\$13,442,297	\$10,046,079	\$10,020,416	\$184,204	\$10,204,620
<u>Fund Sources</u>								
General Fund	299,465	274,691	10,211	284,902	296,430	270,767	24,353	295,120
State Revenue Fund	4,347,050	4,347,050	45,462	4,392,512	1,025,565	1,025,565	78,785	1,104,350
Federal Revenue Fund	8,717,151	8,717,151	47,732	8,764,883	8,724,084	8,724,084	81,066	8,805,150
Total Funds	\$13,363,666	\$13,338,892	\$103,405	\$13,442,297	\$10,046,079	\$10,020,416	\$184,204	\$10,204,620

Program Description

The Reclamation program is responsible for the administration and enforcement of all Montana's mined land reclamation statutes and administrative rules. This involves the regulation of mining on all lands within the state, regardless of ownership, and the reclamation of active and abandoned mine sites. Specifically, the division and its four bureaus administer: the Montana Strip and Underground Mine Reclamation Act; the Montana Open-Cut Mining Act; the Montana Strip and Underground Mine Siting Act; statutes regulating hard-rock mining (Montana Metal Mine Reclamation Act); and the regulatory program of the Federal Surface Mining Control and Reclamation Act.

Special Session Action

The 1992 special session reduced the 1993 biennium general fund appropriations for the program by 8.0 percent. Refer to the Special Session Action table and narrative located at the agency level.

RECLAMATION PROGRAM

Language

"[Hard Rock Increase] contains \$100,000 per year for the Hard Rock Increase modification.

"[SB 253 - Open Cut Reclamation] grants spending authority to implement Chapter 431, Laws of 1991.

Budget as Approved by the Regular 1991 Legislative Session

The increase in FTE is due to three budget modifications which add 9.62 FTE in fiscal 1992 and 12.0 FTE in fiscal 1993. Personal services increase 57.4 percent due to: 1) vacancy savings in fiscal 1990; 2) the fiscal 1991 pay plan increase which continues in the 1993 biennium; and 3) budget modifications which add \$283,360 in fiscal 1992 and \$345,089 in fiscal 1993. The legislature approved funding of pay plan exceptions for environmental specialists, civil engineers and hydrologists totaling \$57,623 in fiscal 1992 and \$58,157 in fiscal 1993. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$62,984 in fiscal 1992 and \$65,506 in fiscal 1993.

The 99.7 percent increase in operating expenses is the net result of: 1) a decrease of \$90,000 from a one-time-only federal grant; 2) a \$2,504,507 increase in the Environmental Analysis program, which was authorized as a biennial appropriation; 3) a \$98,258 increase in the Open Cut Bureau's bond forfeiture expenditures, which was authorized as a biennial appropriation; 4) a \$51,873 increase in the Hard Rock Bureau's bond forfeiture expenditures, which was authorized as a biennial appropriation; 5) a \$97,585 increase in the Hard Rock Bureau's reclamation expenditures, which was authorized as a biennial appropriation; 6) a \$431,858 increase in consulting within the Abandoned Mines Bureau; 7) a \$36,013 increase in laboratory testing within the Abandoned Mines Bureau; 8) budget modifications which add \$174,606; and 9) a decrease of \$1,215 in other expenses. The fiscal 1993 operating expenses increase is the net result of: 1) a \$411,858 increase in consulting services within the Abandoned Mines Bureau; 2) a \$56,013 increase in laboratory testing within the Abandoned Mines Bureau; 3) a decrease of \$90,000 for fiscal 1990 expenditures from a one-time-only federal grant; 4) a decrease of \$531,653 in fiscal 1990 biennial appropriation expenditures; 5) \$182,083 in budget modifications; and 6) an increase of \$948 in other expenses.

Equipment, which reflects the agency's request, includes 17 computers, seven vehicles, a laser printer, and office equipment for the biennium. Budget modifications add \$90,375 in fiscal 1992 and \$2,500 in fiscal 1993.

Capital outlay expenditures are for construction activity in reclaiming abandoned mine sites. The Abandoned Mines Bureau has two primary activities: 1) contracting with consultants to identify, design, and provide construction management and inspection on abandoned mine projects; and 2) contracting with construction firms to provide the actual construction for the projects. Capital outlay finances the latter.

RECLAMATION PROGRAM

Funding

The Reclamation program contains six programs which are financed with general fund, state special revenue, and federal funds. The following table details the funding of each of these programs contained in House Bill 2.

Table 1
Reclamation Program Funding
House Bill 2

Fiscal 1992	General Fund	Reclamation Development	Hardrock Fund	Opencut Fund	Bond Forfeitures	DSL EIS	Federal	Total Funds
Administration	\$2,364	\$59,853	\$0	\$0		\$0	\$33,830	\$96,047
Opencut	68,196	69,625	0	15,500	98,258	0	0	251,579
Coal and Uranium	0	272,000	0	0	0	0	670,685	942,685
Abandoned Mine Reclamation	0	0	0	0	0	0	8,012,636	8,012,636
Hard Rock	204,131	406,595	97,965	0	97,965	100,000	0	906,656
Environmental Analysis	0	0	0	0	0	3,129,289	0	3,129,289
Total Fiscal 1992 Funding	\$274,691	\$808,073	\$97,965	\$15,500	\$196,223	\$3,229,289	\$8,717,151	\$13,338,892
Fiscal 1993								
Administration	\$2,310	\$60,022	\$0	\$0	\$0	\$0	\$33,800	\$96,132
Opencut	66,756	68,967	0	15,500	0	0	0	151,223
Coal and Uranium	0	275,942	0	0	0	0	678,304	954,246
Abandoned Mine Reclamation	0	0	0	0	0	0	8,011,980	8,011,980
Hard Rock	201,701	398,944	0	0	0	100,000	0	700,645
Environmental Analysis	0	0	0	0	0	106,190	0	106,190
Total Fiscal 1993 Funding	\$270,767	\$803,875	\$0	\$15,500	\$0	\$206,190	\$8,724,084	\$10,020,416

General fund finances approximately one-fourth of the Hard Rock Bureau (if reductions by the 1992 special session are all taken in the Hard Rock Bureau) and 29 percent of the Open Cut Bureau. State special revenue includes mining fees, fines, penalties, bond forfeitures, reclamation and development account funds, and environmental impact statement (EIS) fees. As required by the Montana Environmental Policy Act, environmental impact statement fees are collected from industries who propose major mining activities. The

RECLAMATION PROGRAM

statements are prepared by independent contractors retained by the department. The reclamation and development account funds are used to finance \$808,073 in fiscal 1992 and \$803,875 in fiscal 1993 of the program's expenditures. Federal funds are received from the U.S. Department of Interior primarily for abandoned mine reclamation and regulation of coal mines. The ratio of state funding to federal funding in the Coal and Uranium Bureau is based on the type of ownership on permitted acreage. In the 1993 biennium, 70 percent of the permitted acres are expected to be federal and 30 percent state. The Abandoned Mines Bureau is entirely federally funded through a federal tax on Montana's coal production of which up to 50 percent is returned to the state through a grant application process.

LAND ADMINISTRATION PROGRAM

<u>Budget Item</u>	<u>HB 2 Regular Fiscal 1992</u>	<u>HB 2 Special Fiscal 1992</u>	<u>Pay Plan Fiscal 1992</u>	<u>Revised Total Fiscal 1992</u>	<u>HB 2 Regular Fiscal 1993</u>	<u>HB 2 Special Fiscal 1993</u>	<u>Pay Plan Fiscal 1993</u>	<u>Revised Total Fiscal 1993</u>
FTE	30.87	30.87		30.87	33.37	33.37		33.37
Personal Services	817,562	775,562	59,313	834,875	871,975	856,975	103,732	960,707
Operating Expenses	236,229	236,229	0	236,229	176,443	176,443	0	176,443
Equipment	60,600	60,600	0	60,600	20,600	20,600	0	20,600
Capital Outlay	5,000	5,000	0	5,000	5,000	5,000	0	5,000
Total Costs	\$1,119,391	\$1,077,391	\$59,313	\$1,136,704	\$1,074,018	\$1,059,018	\$103,732	\$1,162,750
<u>Fund Sources</u>								
General Fund	793,751	751,751	44,622	796,373	818,199	803,199	79,985	883,184
State Revenue Fund	325,640	325,640	14,691	340,331	255,819	255,819	23,747	279,566
Total Funds	\$1,119,391	\$1,077,391	\$59,313	\$1,136,704	\$1,074,018	\$1,059,018	\$103,732	\$1,162,750

Program Description

The Land Administration program is responsible for leasing the surface and mineral resources for the benefit of Montana's public schools and other endowed institutions. This program oversees the appraisal and reclassification of all state lands to obtain the greatest revenue for the trust funds commensurate with the preservation of the resource. This program includes the Surface Management Bureau, the Minerals Management Bureau, and the Resource Development Bureau. Beginning in the 1993 biennium, the Resource Development Program's duties and responsibilities will be in this program.

Special Session Action

The 1992 special session reduced the 1993 biennium general fund appropriations for the program by 3.3 percent. Refer to the Special Session Action table and narrative located at the agency level.

Language

"The legislature recommends that the Board of Land Commissioners amend its cabinsite rules to require lessees who apply for sale of their cabin sites to reimburse the department for all expenses it incurs in processing the sale applications."

LAND ADMINISTRATION PROGRAM

Budget as Approved by the Regular 1991 Legislative Session

Personal services increase 2.75 FTE and 30.8 percent due to: 1) vacancy savings in fiscal 1990; 2) continuation of the 1991 pay plan increase into the 1993 biennium; 3) an additional 0.5 FTE in program expansions authorized by the 1989 legislature (House Bill 133); and 4) budget modifications which add 2.25 FTE and \$48,684 in fiscal 1992 and 4.75 FTE and \$104,202 in fiscal 1993. The legislature approved funding of pay plan exceptions for civil engineers and hydrologists totaling \$11,056 in fiscal 1992 and \$11,029 in fiscal 1993. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$34,064 in fiscal 1992 and \$36,333 in fiscal 1993.

The 55.4 percent increase in operating expenses is due to: 1) budget modifications which add \$70,445 in fiscal 1992 and \$10,221 in fiscal 1993; and 2) budgeting expenses at fiscal 1991 appropriated levels which add \$13,747 in fiscal 1992 and \$14,185 in fiscal 1993.

Equipment, which reflects the agency's request, includes four computers, four vehicles, software, and office equipment. Budget modifications add \$41,500 in fiscal 1992 and \$1,500 in fiscal 1993.

Funding

The administration portion of this program is funded entirely with general fund, while the resource development portion is funded from the resource development account. By statute, the State Land Board can allocate up to 2.5 percent of income generated by state trust lands to this account. The net 20.9 percent increase in general fund from actual fiscal 1990 expenditures to fiscal 1992 is due to the budget modifications, increased personal services costs which are primarily funded with general fund, and reductions by the 1992 special session of \$42,000.

FORESTRY DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	242.00	242.00		242.00	243.78	243.78		243.78
Personal Services	6,216,601	6,061,614		6,469,591	6,257,655	6,091,988	705,246	6,797,234
Operating Expenses	3,010,389	8,446,789	407,977	8,446,789	2,966,333	2,842,833	0	2,842,833
Equipment	753,515	729,515	0	729,515	650,013	636,680	0	636,680
Transfers	100,000	44,000	0	44,000	100,000	44,000	0	44,000
Total Costs	\$10,080,505	\$15,281,918	\$407,977	\$15,689,895	\$9,974,001	\$9,615,501	\$705,246	\$10,320,747
Fund Sources								
General Fund	6,009,723	11,267,136	138,967	11,406,103	5,980,848	5,678,348	275,211	5,953,559
State Revenue Fund	3,092,044	3,092,044	236,985	3,329,029	3,091,658	3,091,658	377,208	3,468,866
Federal Revenue Fund	978,738	922,738	32,025	954,763	901,495	845,495	52,827	898,322
Total Funds	\$10,080,505	\$15,281,918	\$407,977	\$15,689,895	\$9,974,001	\$9,615,501	\$705,246	\$10,320,747

Program Description

The Forestry Program manages state-owned forest lands held in trust for the support of education, protects the state's forest and non-forest watershed lands from wildfire, and provides technical forestry assistance to private landowners, businesses, and communities. The program is administered by the Forestry Division in Missoula which provides six main services: **Fire Management** of state and privately-owned forest and watershed lands. **Management** of state forest land. **Brush Disposal** on state forest land following Forest Management Program activities. **Timber Stand Improvement** of the composition, condition, or growth of trees on state forest lands. **Tree Nursery** for conservation plantings on state and private lands for shelterbelts, windbreaks, wildlife habitat improvement, reclamation, and reforestation. **Administration of the Fire Hazard Reduction and Management (Slash) Law** to assure that the fire hazard created by logging and other forest management operations on private forest land is adequately reduced, or that additional protection is provided until the fire hazard is reduced to an acceptable level.

Special Session Action

The 1992 special session increased the 1993 biennium general fund appropriations for the program by 39.9 percent. However, this is the net result of a \$5,573,650 increase for actual 1991 summer and fall fire suppression costs for fiscal 1992 and budget reductions

FORESTRY DIVISION

of \$316,237 in fiscal 1992 and \$302,500 in fiscal 1993. In addition, the amount the program can spend of federal reimbursements for state assistance in fighting federal fires was reduced from \$100,000 to \$44,000 each year. Refer to the Special Session Action table and narrative located at the agency level.

Language

"[Forestry] contains \$24,400 per year of general fund to provide training and materials on best management practices to loggers and forest landowners. If federal funds are received for this purpose, general fund must be reduced by a like amount."

"[Urban Forestry Assistance] contains \$173,100 per year of federal funds for the Urban Forestry Assistance Program. The department shall emphasize replacing dead, diseased, and infected trees in Montana communities. Replacement trees that are adapted to and will survive in Montana must be used."

"[Best Management Practices Audit] contains \$10,000 in fiscal 1992 as a biennial appropriation to coordinate and conduct, in consultation with the Environmental Quality Council, audits of the application and effectiveness of voluntary best management practices for timber sales."

"Federal fire reimbursement funds are those funds received for expenses incurred from loaning department personnel to federal agencies to assist in fire suppression activities. Only those federal funds received as reimbursement of expenses credited against the department's state forestry operational budget are considered federal fire reimbursement funds. All other federal funds received must be deposited into the general fund. The department shall report federal fire reimbursement expenditures on state accounting records, and the records must be separate from current level operations."

Budget as Approved by the Regular 1991 Legislative Session

In House Bill 866, the executive proposed the transfer of the Fire Services Training School to the Forestry program. Therefore, the Executive Budget includes 5.0 FTE, \$148,087 of personal services in fiscal 1992 and \$148,700 in fiscal 1993, \$56,565 of operating expenses in fiscal 1992 and \$56,837 in fiscal 1993, and \$3,000 per year for equipment due to this proposed transfer. House Bill 866 was not enacted.

The 15.70 increase in FTE is due to: 1) 7.27 additional FTE authorized by the 1989 legislature in program expansions for fiscal 1991 which are also included in the 1993 biennium; 2) 10.15 FTE in fiscal 1992 and 11.93 FTE in fiscal 1993 from budget modifications; 3) elimination of 1.0 FTE in the Fire program which had been vacant all of fiscal 1990 for a savings of \$26,817 in fiscal 1992 and \$26,785 in fiscal 1993; and 4) transfer of 0.72 FTE to the Central Management program.

Personal services increase 13.3 percent because: 1) of fiscal 1990 vacancy savings; 2) the fiscal 1991 pay plan increase is continued in the 1993 biennium; and 3) budget modifications add \$239,569 in fiscal 1992 and \$281,953 in fiscal 1993. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$257,677 in fiscal 1992 and \$259,392 in fiscal 1993.

FORESTRY DIVISION

Operating expenses increase 19.8 percent due to: 1) budget modifications which add \$418,938 in fiscal 1992 and \$378,105 in fiscal 1993; and 2) use of fiscal 1991 appropriations as the budget base which adds \$78,901 in fiscal 1992 and \$75,678 in fiscal 1993.

Equipment, which reflects the agency's request, includes: 34 vehicles, 55 radios, four computers, pumps, one metal building, three photocopiers, tanks, chainsaws, and various other fire fighting tools, office, and shop equipment. Budget modifications add \$260,702 in fiscal 1992 and \$157,200 in fiscal 1993. The forestry capital equipment modification would allow the purchase of 9 vehicles in fiscal 1992 and 7 in fiscal 1993.

Transfers of \$100,000 per year are spending authority for federal funds received as reimbursement for state funds spent assisting federal agencies in fighting fires under jurisdiction of the federal government. Reimbursements for expenditures against the department's state forestry operational budget are the only funds which can be allocated to the federal fire reimbursement account. All other federal reimbursements for forest fire suppression are to be deposited in the general fund.

Funding

Net 1993 biennium funding increases in this program are due to budget modifications, the use of fiscal 1991 appropriations as the budget base (which is higher than fiscal 1990 actual funding levels), funding of fire suppression costs by the 1992 special session, and general fund reductions by the 1992 special session. The forestry program contains seven programs which are funded with general fund, state special revenue, and federal funds. The following table details funding for each of these programs contained in House Bill 2.

Table 2
Forestry Division Funding
House Bill 2

Fiscal 1992	General Fund	State Special	Landowner Assessment	Federal	Total Funds
Fire *, **	\$8,129,288	\$0		\$287,841	\$9,917,495
Forest Management	1,822,794	14,481	\$1,500,366	513,504	2,350,779
Brush Removal	0	566,327	0	0	566,327
Timber Stand Improvements	0	617,792	0	7,955	625,747
Nursery	81,196	194,988	0	0	276,184
Private Slash Removal	41,640	198,090	0	0	239,450
Other Services	1,192,498	0	0	113,438	1,305,936
Total Fiscal 1992 Funding	\$11,267,136	\$1,591,678	\$1,500,366	\$922,738	\$15,281,918

FORESTRY DIVISION

Fiscal 1993	General Fund	State Special	Landowner Assessment	Federal	Total Funds
Fire **	\$2,545,660	\$0	\$1,500,352	\$287,846	\$4,333,858
Forest Management	1,796,503	14,480	0	436,000	2,246,983
Brush Removal	0	566,325	0	0	566,325
Timber Stand Improvements	0	617,786	0	7,955	625,741
Nursery	80,929	195,028	0	0	239,327
Private Slash Removal	41,640	197,687	0	0	239,327
Other Services	1,268,616	0	0	113,694	1,382,310
Total Fiscal 1993 Funding	\$5,678,348	\$1,591,306	\$1,500,352	\$845,495	\$9,615,501

* Includes the \$5,573,650 appropriated by the 1992 special session for 1991 summer and fall fire suppression costs.

** Contains the entire amount of the Forestry Capital Equipment modification which may be allocated to other programs.

State special revenues, generated from the sale of timber on state land, are used to entirely finance brush removal program and most of the timber stand improvements program. The price at which the state sells timber includes \$11 per thousand board feet for each of these programs. Landowner assessments are taxes paid by private forest landowners for forest fire protection. With the enactment of Senate Bill 165, this landowner assessment is a minimum of not more than \$30 for each landowner and not more than an additional \$0.20 per acre in excess of 20 acres. The department is required by statute to collect up to one-third of the fire protection costs from private landowners. Other state special revenues include the sale of nursery stock and slash removal assessments on private landowners who cut timber (see slash increase modification above). General fund reductions by the 1992 special session in the slash and nursery programs were offset by excess funds in the slash account and by a nursery fee increase of \$.03 per tree. State special revenue authority was not increased because the department had excess authority. Federal funds finance portions of the Timber Stands Improvement, Forest Management, and Fire programs. Included in federal funds is \$44,000 authority per year to spend federal fire reimbursements.

DEPARTMENT OF LIVESTOCK

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	119.71	119.71		119.71	117.71	117.71		117.71
Personal Services	3,348,963	3,348,963	223,721	3,572,684	3,313,216	3,313,216	350,795	3,664,011
Operating Expenses	1,411,851	1,411,851	0	1,411,851	1,220,060	1,220,060	0	1,220,060
Equipment	155,489	155,489	0	155,489	147,241	147,241	0	147,241
Total Costs	\$4,916,303	\$4,916,303	\$223,721	\$5,140,024	\$4,680,517	\$4,680,517	\$350,795	\$5,031,312
Fund Sources								
General Fund	777,673	712,673	36,663	749,336	772,882	752,882	59,390	812,272
State Revenue Fund	3,864,032	3,909,032	171,628	4,080,660	3,632,722	3,632,722	266,585	3,899,307
Federal Revenue Fund	274,598	294,598	15,430	310,028	274,913	294,913	24,820	319,733
Total Funds	\$4,916,303	\$4,916,303	\$223,721	\$5,140,024	\$4,680,517	\$4,680,517	\$350,795	\$5,031,312

Agency Description

The Department of Livestock is responsible for the control and eradication of animal diseases, preventing the transmission of animal disease to humans, and protecting the livestock industry from theft and predatory animals. The department, which is provided for in Section 2-15-3101, MCA, consists of the Board of Livestock and its appointed executive secretary; the Livestock Crimestopper's Commission; the Pork Research and Marketing Committee; and the Beef Research and Marketing Committee. The department is organized into five divisions: Animal Health, Centralized Services, Brands-Enforcement, Diagnostic Laboratory, and Meat, Milk, and Egg Inspection. The Board of Livestock, which is statutorily the head of the Department of Livestock, consists of seven members appointed by the Governor and confirmed by the Senate to serve six-year terms.

DEPARTMENT OF LIVESTOCK

Special Session Action

		===== Executive Budget Proposal		=====		===== Legislative Budget Action		=====	
Description	Pgm	---- Fiscal 1992 ----		---- Fiscal 1993 ----		---- Fiscal 1992 ----		---- Fiscal 1993 ----	
		General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
House Bill 2									
1 Funding Switch	01	(\$20,000)	\$20,000	(\$20,000)	\$20,000	(\$20,000)	\$20,000	(\$20,000)	\$20,000
2 Funding Switch	03	(45,000)	45,000			(45,000)	45,000		
Totals		(65,000)	65,000	(20,000)	20,000	(65,000)	65,000	(20,000)	20,000

1) Funding Switch - The legislature reduced the general fund appropriation and increased the appropriation for federal indirect costs. Increased federal indirect cost funds are available due to the Governor's authorization of a supplemental in the Meat and Poultry Inspection program. On September 18, 1991 the Governor declared that a "potential economic emergency" existed which necessitated a transfer from the Meat and Poultry Inspection program's fiscal 1993 appropriation to fiscal 1992. The fiscal 1992 supplemental totals \$65,512 general fund, \$65,512 federal funds, and 4.0 FTE to fund a budget modification not approved by the 1991 legislature. The executive plans to request a \$153,254 general fund and \$153,254 federal fund supplemental from the 1993 legislature for this modification.

2) Funding Switch - The Executive Budget proposed and the legislature approved a reduction of \$45,000 in the diagnostic laboratory's fiscal 1992 general fund personal services appropriation and replaced it with excess fund balance in the agency's state special revenue account.

Budget as Approved by the Regular 1991 Legislative Session

The increase of 3.0 FTE reflects the addition of: 1) 1.0 FTE in the Inspection and Control Program; and 2) 2.0 FTE authorized for fiscal 1992 to complete the 10-year brand rerecord process. The 3.9 percent increase in personal services reflects the increased FTE and the continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in agency funding for personal services of \$143,363 in fiscal 1992 and \$141,865 in fiscal 1993.

DEPARTMENT OF LIVESTOCK

Because the legislature used fiscal 1991 appropriations as the base for this agency, the department's operating expenses increase compared to fiscal 1990. In addition, the legislature approved two budget modifications. Brand rerecord operating expenses are not continued in fiscal 1993.

Summary of Budget Modifications

		FY 1992		FY 1993			
PGM	FTE	General Fund	Other Funds	FTE	General Fund	Other Funds	
1 Livestock Workload Increase	06 1.00		\$53,861	1.00		\$53,794	
2 Section 8	08		<u>20,000</u>			<u>20,000</u>	
TOTALS		1.00	\$73,861	1.00		\$73,794	

1) The Livestock Workload Increase budget modification funds a field auditor to review custodial accounts at livestock markets and to audit other inspection records throughout Montana.

2) The Section 8 modification provides funding for the department in its role as the Governor's representative and facilitator in the mediation process among federal agencies such as the U.S. Forest Service, the Bureau of Land Management, the state and private lessees. Section 8 of the Rangeland Improvement Act of 1978 allows for the review of lands covered by Allotment Management Plans (AMP). The department participates in meetings for the development and revision of AMP's and hires consultants if needed.

Funding

The 1992 special session decreased general fund in Centralized Services and Diagnostic Laboratory programs and increased state special revenue and federal revenue by the same amounts. In addition, the 1991 legislature increased current expenditures in the Centralized Services, Diagnostic Laboratory, and the Meat and Poultry Inspection programs. Transfer of 1.0 FTE from the Milk and Egg program to the Inspection and Control program results in replacing \$60,202 general fund with state special revenue for the biennium.

CENTRALIZED SERVICES PROGRAM

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	9.00	9.00		9.00	9.00	9.00		9.00
Personal Services	\$300,194	\$300,194	\$16,896	\$317,090	\$299,933	\$299,933	\$27,119	\$327,052
Operating Expenses	169,756	169,756	0	169,756	150,039	150,039	0	150,039
Equipment	4,500	4,500	0	4,500	3,500	3,500	0	3,500
Total Costs	\$474,450	\$474,450	\$16,896	\$491,346	\$453,472	\$453,472	\$27,119	\$480,591
<u>Fund Sources</u>								
General Fund	86,693	66,693	2,894	69,587	82,714	62,714	4,672	67,386
State Revenue Fund	369,587	369,587	13,330	382,917	352,623	352,623	21,371	373,994
Federal Revenue Fund	18,170	38,170	672	38,842	18,135	38,135	1,076	39,211
Total Funds	\$474,450	\$474,450	\$16,896	\$491,346	\$453,472	\$453,472	\$27,119	\$480,591

Program Description

The Centralized Services Division is responsible for the accounting, budgeting, payroll, personnel, legal services, purchasing, administrative, data processing, and general services functions of the department. The Pork Research and Marketing Committee, the Beef Research and Marketing Committee, and the Crinestoppers Commission are administratively attached to the division. Livestock through this division. Agency legal services are provided to the department by the staff attorney in this division.

Special Session Action

The 1992 special session replaced \$20,000 general fund with federal funds in both fiscal years. Refer to the Special Session Action table and narrative located at the agency level.

Budget as Approved by the Regular 1991 Legislative Session

Personal services increase 1.8 percent due to vacancy savings in fiscal 1990, the continuation of the fiscal 1991 pay plan increase in fiscal 1992 and 1993, and the addition of \$1,850 per year for Board of Livestock per diem. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$12,508 in fiscal 1992 and \$12,497 in fiscal 1993.

CENTRALIZED SERVICES PROGRAM

The 10.5 percent increase in operating expenses is from \$4,500 per year for the lease of the Executive Secretary's vehicle. Using the fiscal 1991 appropriated level as a budget base instead of fiscal 1990 actual expenditures added \$1,371 in fiscal 1992 and \$2,171 in fiscal 1993. Audit costs of \$20,519 are reflected in fiscal 1992 as a biennial appropriation.

Equipment includes two computers and office furniture.

Funding

This program is funded with general fund, state special revenue from the inspection and control fund and the animal health fund, and federal funds. The 1989 legislature allocated 19.0 percent of the program's costs (except the meat inspection accounting costs) to general fund and the remainder to state special funds. This funding ratio was decreased to 14.5 percent by action of the 1992 special session that replaced \$20,000 of general fund with \$20,000 of additional federal funds from the meat inspection supplemental. The meat inspection accounting costs are financed with federal funds. Allocation between the inspection and control and the animal health state special revenue accounts is split evenly.

DIAGNOSTIC LABORATORY PROGRAM

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	18.00	18.00		18.00	18.00	18.00		18.00
Personal Services	528,247	528,247	33,617	561,864	528,211	528,211	53,881	582,092
Operating Expenses	215,870	215,870	0	215,870	215,530	215,530	0	215,530
Equipment	24,045	24,045	0	24,045	24,500	24,500	0	24,500
Total Costs	\$768,162	\$768,162	\$33,617	\$801,779	\$768,241	\$768,241	\$53,881	\$822,122
Fund Sources								
General Fund	314,947	269,947	12,997	282,944	314,978	314,978	20,922	335,900
State Revenue Fund	453,215	498,215	20,620	518,835	453,263	453,263	32,959	486,222
Total Funds	\$768,162	\$768,162	\$33,617	\$801,779	\$768,241	\$768,241	\$53,881	\$822,122

Program Description

The Diagnostic Laboratory Program provides laboratory diagnostic support for the Disease Control Program, Milk and Egg Program, regulatory officials and agencies, veterinarians, and livestock producers to protect, promote, and foster Montana's livestock industry. Through laboratory testing for zoonotic diseases and routine safety assurance tests of dairy products, this program assists in protecting the health of Montana's citizens. The program also provides laboratory testing services upon request to assist animal owners, veterinarians, and Department of Fish, Wildlife and Parks' personnel in protecting the health of Montana's companion animals and wildlife.

Special Session Action

The 1992 special session replaced \$45,000 general fund with state special revenue in fiscal 1992. Refer to the Special Session Action table and narrative located at the agency level.

DIAGNOSTIC LABORATORY PROGRAM

Budget as Approved by the Regular 1991 Legislative Session

The 4.7 percent increase in personal services reflects vacancy savings which occurred in fiscal 1990 and the fiscal 1991 pay plan increase which is continued in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$22,010 in fiscal 1992 and \$22,009 in fiscal 1993.

Operating expenses increase 3.3 percent as a result of legislative approval of fiscal 1991 appropriations as the base for operating expenses instead of fiscal 1990 actual expenditures.

Equipment includes an air conditioner, a tissue processor, an antibiotic testing system, pan balance, spectrophotometer, incubators, centrifuge, and a liquid nitrogen freezer.

Funding

This program is funded with approximately 38.1 percent general fund and 61.9 percent animal health funds.

DISEASE CONTROL PROGRAM

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	10.50	10.50		10.50	10.50	10.50		10.50
Personal Services	\$347,305	\$347,305	\$20,800	\$368,105	\$347,168	\$347,168	\$33,513	\$380,681
Operating Expenses	116,437	116,437	0	116,437	116,439	116,439	0	116,439
Equipment	19,041	19,041	0	19,041	20,187	20,187	0	20,187
Total Costs	\$482,783	\$482,783	\$20,800	\$503,583	\$483,794	\$483,794	\$33,513	\$517,307
Fund Sources								
State Revenue Fund	482,783	482,783	20,800	503,583	483,794	483,794	33,513	517,307
Total Funds	\$482,783	\$482,783	\$20,800	\$503,583	\$483,794	\$483,794	\$33,513	\$517,307

Program Description

The Disease Control Program within the Animal Health Division protects Montana's livestock industry from disease loss by providing for the diagnosis, prevention, control, and eradication of animal diseases. The program cooperates with the Department of Health and Environmental Sciences to protect human health from animal diseases transmissible to humans. Sanitary standards are supervised for animal concentration points, such as auctions markets, and certain animal product processing facilities, such as rendering plants.

Budget as Approved by the Regular 1991 Legislative Session

Personal services increase 0.9 percent due to vacancy savings in fiscal 1990 and the continuation of the fiscal 1991 pay plan into the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$14,471 in fiscal 1992 and \$14,465 in fiscal 1993. The fiscal 1991 appropriated level was approved as the base for operating expenses, increasing the budget 48.6 percent above fiscal 1990 actual expenditures. Included in this increase is \$35,000 per year to contract with local veterinarians. The department reduced its veterinarian staff from four to three in 1988 and will use this contract authority to respond to emergencies.

Funding

Funding for this program is entirely from the animal health fund.

MILK & EGG PROGRAM

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	4.75	4.75		4.75	4.75	4.75		4.75
Personal Services	\$132,068	\$132,068	\$9,936	\$142,004	\$131,937	\$131,937	\$16,277	\$148,214
Operating Expenses	33,238	33,238	0	33,238	33,276	33,276	0	33,276
Equipment	15,714	15,714	0	15,714	15,735	15,735	0	15,735
Total Costs	\$181,020	\$181,020	\$9,936	\$190,956	\$180,948	\$180,948	\$16,277	\$197,225
Fund Sources								
General Fund	150,313	150,313	8,466	158,779	149,680	149,680	13,884	163,564
Federal Revenue Fund	30,707	30,707	1,470	32,177	31,268	31,268	2,393	33,661
Total Funds	\$181,020	\$181,020	\$9,936	\$190,956	\$180,948	\$180,948	\$16,277	\$197,225

Program Description

The Milk and Egg Program functions within the Meat, Milk and Egg Inspection Division to ensure that eggs, milk, and milk products sold or manufactured in Montana are fit for human consumption. These functions are accomplished through licensing, sampling, laboratory testing, and product and site inspections, done in cooperation with other state and federal agencies. The program supervises the enforcement of state and federal law.

Budget as Approved by the Regular 1991 Legislative Session

The 21.2 percent decrease in personal services and the decrease of 1.25 FTE results from the transfer of 0.25 FTE to the Meat Inspection program and the transfer of 1.0 FTE to the Inspection and Control program. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$5,503 in fiscal 1992 and \$5,497 in fiscal 1993.

Equipment includes the purchase of a vehicle each year in addition to office equipment.

Funding

Funding for the program is primarily general fund, with the federal government expected to contribute \$27,000 each year for inspecting poultry products. The budget includes more than \$27,000 of federal funds because at the end of fiscal 1990 there was an ending fund balance of \$20,600 in the federal account which is available for expenditure during the 1993 biennium.

INSPECTION & CONTROL PROGRAM

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	63.21	63.21		63.21	61.21	61.21		61.21
Personal Services	\$1,653,767	\$1,653,767	\$114,355	\$1,768,122	\$1,618,908	\$1,618,908	\$174,703	\$1,793,611
Operating Expenses	403,329	403,329	0	403,329	333,549	333,549	0	333,549
Equipment	92,189	92,189	0	92,189	83,319	83,319	0	83,319
Total Costs	\$2,149,285	\$2,149,285	\$114,355	\$2,263,640	\$2,035,776	\$2,035,776	\$174,703	\$2,210,479
Fund Sources								
State Revenue Fund	2,149,285	2,149,285	114,355	2,263,640	2,035,776	2,035,776	174,703	2,210,479
Total Funds	\$2,149,285	\$2,149,285	\$114,355	\$2,263,640	\$2,035,776	\$2,035,776	\$174,703	\$2,210,479

Program Description

The Inspection and Control Program, as part of the Brands-Enforcement Division, is responsible for livestock theft investigations, stray livestock investigations, brand inspections, recording of livestock brands, filing of security interests on livestock, livestock auction licensing, livestock dealer licensing, hide inspections, and beef inspections.

Budget as Approved by the Regular 1991 Legislative Session

The 5.7 percent increase in personal services and 4.0 increase in FTE results from: 1) the continuation in fiscal 1992 of 2.0 additional FTE (at a cost of \$37,584) authorized for fiscal 1991 to staff the 10-year brand rerecord; 2) transfer in of 1.0 FTE from the Milk and Egg Program to be used as an animal theft investigator in Eastern Montana; and 3) 1.0 FTE added by the budget modification. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$68,907 in fiscal 1992 and \$67,445 in fiscal 1993.

Increases in operating expenses result from approval of the fiscal 1991 appropriation level as the budget base. Included in operating expenses is \$68,845 in fiscal 1992 for the brand rerecord process. The budget modification adds \$25,000 per year. Additional operating expenses for the animal theft investigator of \$6,000 per year were added.

Equipment, which includes the agency's request, consists of five vehicles per year, a high band base station, and office equipment. In addition, the legislature approved the purchase of an additional vehicle for use by the animal theft investigator position transferred in from the Milk and Egg program.

INSPECTION & CONTROL PROGRAM

Funding

This program is funded entirely from the inspection and control fund. Under state law, the department may not expend more than 10 percent of the net brand rerecord revenue each year.

PREDATOR CONTROL PROGRAM

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	1.25	1.25		1.25	1.25	1.25		1.25
Personal Services	\$56,851	\$56,851		\$59,374	\$57,055	\$57,055	\$4,039	\$61,094
Operating Expenses	<u>337,311</u>	<u>337,311</u>	<u>\$2,523</u>	<u>337,311</u>	<u>235,211</u>	<u>235,211</u>	<u>0</u>	<u>235,211</u>
Total Costs	\$394,162	\$394,162	\$2,523	\$396,685	\$292,266	\$292,266	\$4,039	\$296,305
<u>Fund Sources</u>								
State Revenue Fund	<u>394,162</u>	<u>394,162</u>	<u>2,523</u>	<u>396,685</u>	<u>292,266</u>	<u>292,266</u>	<u>4,039</u>	<u>296,305</u>
Total Funds	\$394,162	\$394,162	\$2,523	\$396,685	\$292,266	\$292,266	\$4,039	\$296,305

Program Description

The Predator Control Program, operated by the Brands-Enforcement Division, offers protection to livestock producers by controlling certain types of predators that kill or injure domestic livestock. This program is also designed to alleviate problems caused by animal species (particularly the coyote, which can carry bubonic plague) that may endanger human health or safety.

Budget as Approved by the Regular 1991 Legislative Session

The 26.6 percent increase in personal services and 0.25 FTE increase is from: 1) vacancy savings in fiscal 1990; 2) transfer to this program of 0.25 FTE and \$10,764 from the Meat Inspection program; and 3) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$23,69 in fiscal 1992 and \$2,377 in fiscal 1993.

Operating expenses increase 76.3 percent due to: 1) legislative approval of \$120,000 for a helicopter engine overhaul in fiscal 1992; and 2) the budget modification that adds \$20,000 per year. The legislature approved fiscal 1991 appropriations as the budget base which increases expenses \$5,980 in fiscal 1992 and \$23,880 in fiscal 1993. Included in operating expenses is \$20,000 per year in the predator control grant from the Department of Fish, Wildlife, and Parks which is continued in the 1993 biennium. This increase, although received in fiscal 1990, is contained as a budget modification within the Department of Fish, Wildlife, and Parks' 1993 biennium budget.

Funding

This program is funded entirely from the inspection and control fund. The Department of Fish, Wildlife, and Parks deposits \$95,000 per year (including the \$20,000 increase) into this account for use in this program.

RABIES CONTROL

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	.00	.00		.00	.00	.00		.00
Operating Expenses	\$15,000	\$15,000	\$0	\$15,000	\$15,000	\$15,000	\$0	\$15,000
Total Costs	\$15,000	\$15,000	\$0	\$15,000	\$15,000	\$15,000	\$0	\$15,000
<u>Fund Sources</u>								
State Revenue Fund	15,000	15,000	0	15,000	15,000	15,000	0	15,000
Total Funds	\$15,000	\$15,000	\$0	\$15,000	\$15,000	\$15,000	\$0	\$15,000

Program Description

The Rabies Control Program within the Animal Health Division functions to protect human health from rabies by controlling the transmission of domestic animal and wildlife rabies, particularly through eradication of skunks. This is accomplished by state level programs and by cooperation with counties, private groups (such as humane societies and veterinary associations), other government agencies (such as the Department of Health and Environmental Sciences and the Department of Fish, Wildlife, and Parks), and private individuals.

Budget as Approved by the Regular 1991 Legislative Session

General fund support of this program was scaled back in fiscal 1990 and eliminated in the 1993 biennium. Program expenses were appropriated at the level of funding provided by the Department of Fish, Wildlife, and Parks.

Funding

This program is funded entirely by a \$15,000 grant from the Department of Fish, Wildlife, and Parks.

MEAT AND POULTRY INSPECTION PROGRAM

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	13.00	13.00		13.00	13.00	13.00		13.00
Personal Services								
Operating Expenses	\$330,531	\$330,531	\$25,594	\$356,125	\$330,004	\$330,004	\$41,263	\$371,267
	<u>120,910</u>	<u>120,910</u>	<u>0</u>	<u>120,910</u>	<u>121,016</u>	<u>121,016</u>	<u>0</u>	<u>121,016</u>
Total Costs	\$451,441	\$451,441	\$25,594	\$477,035	\$451,020	\$451,020	\$41,263	\$492,283
<u>Fund Sources</u>								
General Fund	225,720	225,720	12,306	238,026	225,510	225,510	19,912	245,422
Federal Revenue Fund	<u>225,721</u>	<u>225,721</u>	<u>13,288</u>	<u>239,009</u>	<u>225,510</u>	<u>225,510</u>	<u>21,351</u>	<u>246,861</u>
Total Funds	\$451,441	\$451,441	\$25,594	\$477,035	\$451,020	\$451,020	\$41,263	\$492,283

Program Description

The Meat and Poultry Inspection Program within the Meat, Milk and Egg Inspection Division was established in 1987 by the Montana Meat and Poultry Inspection Act. Its function is to implement and enforce a meat and poultry inspection system equal to that maintained by the U.S. Department of Agriculture (USDA) and Food Safety Inspection Service (FSIS). By providing a state certification with federal standards, this program's goals are to assure clean, wholesome, properly labeled meat and poultry products for the consumer and, in doing so, increase the supply of Montana-raised products into Montana-based processing facilities.

Budget as Approved by the Regular 1991 Legislative Session

The 9.2 percent increase in personal services is due to: 1) vacancy savings in fiscal 1990; and 2) the pay plan increase in fiscal 1991 that is continued in the 1993 biennium. These increases are offset by staff transfers which had no net effect on the FTE level but decreased personal services by \$10,573 in fiscal 1992. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$17,595 in fiscal 1992 and \$17,565 in fiscal 1993.

Operating expenses increase 15.8 percent due to the legislature's use of the fiscal 1991 appropriated amount as the budget base, which added \$16,460 in fiscal 1992 and \$16,566 in fiscal 1993.

Funding

This program is funded 50 percent general fund and 50 percent federal meat/poultry inspection special revenue received from the U.S. Department of Agriculture.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	262.20	262.20		262.20	262.20	262.20		262.20
Personal Services	7,734,407	7,539,179	500,031	8,039,210	7,723,339	7,560,523	804,683	8,365,206
Operating Expenses	4,641,041	4,554,041	0	4,554,041	3,841,843	3,861,843	0	3,861,843
Equipment	519,065	519,065	0	519,065	183,447	183,447	0	183,447
Capital Outlay	8,487,925	8,387,925	0	8,387,925	0	0	0	0
Local Assistance	95,000	95,000	0	95,000	95,000	95,000	0	95,000
Grants	536,589	536,589	0	536,589	625,589	625,589	0	625,589
Debt Service	56,726	56,726	0	56,726	56,794	56,794	0	56,794
Total Costs	\$22,070,753	\$21,688,525	\$500,031	\$22,188,556	\$12,526,012	\$12,383,196	\$804,683	\$13,187,879
<u>Fund Sources</u>								
General Fund	4,648,968	4,120,217	227,507	4,347,724	4,559,198	4,229,855	366,499	4,596,354
State Revenue Fund	8,979,329	9,095,852	223,666	9,319,518	6,412,433	6,598,960	359,332	6,958,292
Federal Revenue Fund	8,442,456	8,472,456	48,858	8,521,314	1,554,381	1,554,381	78,852	1,633,233
Total Funds	\$22,070,753	\$21,688,525	\$500,031	\$22,188,556	\$12,526,012	\$12,383,196	\$804,683	\$13,187,879

Agency Description

The Department of Natural Resources and Conservation (DNRC) is responsible for ensuring the wise management, development, conservation, and use of some of Montana's natural resources in a manner consistent with environmental quality. It works to sustain and improve the benefits derived from our water, soil, and rangeland; to encourage energy conservation and the use of renewable energy resources; and to make certain that energy facilities and water projects under its jurisdiction are developed with minimum adverse environmental effects. The department directs a wide variety of programs in meeting these and related goals and objectives. The department is provided for in Section 2-15-3301, MCA.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Special Session Action

		===== Executive Budget Proposal =====		===== Fiscal 1992 =====		Fiscal 1993 =====		Legislative Budget Action =====		===== Fiscal 1993 =====	
Description	Pgm	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
House Bill 2											
1 Personal Svc Reduction	21	(\$43,716)		(\$22,145)		(\$43,716)		(\$22,145)		(\$22,145)	
2 Funding Switch	23	(66,523)	\$66,523	(66,527)	\$66,527	(66,523)	\$66,523	(66,527)	\$66,527		\$66,527
3 Personal Svc Reduction	23	(9,113)		(7,737)		(9,113)		(7,737)			
4 Funding Switch	24	(40,891)	40,891	(40,908)	40,908	(30,000)	30,000	(30,000)	30,000		
5 Funding Switch	24	(87,000)				(87,000)					
6 Funding Switch	24	(100,000)				(100,000)					
7 Funding Switch	24	(30,000)				(30,000)					
8 Funding Switch	24			(80,000)	80,000			(80,000)	80,000		
9 Personal Svc Reduction	24	(93,695)		(129,479)		(93,695)		(129,479)			
10 Treasure State Endowment	24							20,000			
11 Personal Svc Reduction	25	(26,769)				(26,769)					
12 Funding Switch	26	(20,000)	20,000	(40,000)	40,000	(20,000)	20,000	(40,000)	40,000		
13 Personal Svc Reduction	26	(21,935)		(3,455)		(21,935)		(3,455)			
Grand Totals		(\$539,642)	\$127,414	(\$390,251)	\$227,435	(\$528,751)	\$146,523	(\$329,343)	\$186,527		

1) Personal Services Reduction - Centralized Services Division will reduce personal services expenditures by \$43,716 in fiscal 1992 and \$22,145 in fiscal 1993 by leaving 2.5 FTE positions vacant during fiscal 1992 and 0.5 FTE vacant in fiscal 1993.

2) Funding Switch - The legislature directed the Conservation and Resource Development Division to use unexpended water development, renewable resource and reclamation and development state special revenue funds (appropriated during or prior to 1987 for grants) to reduce general fund expenditures by \$66,523 in fiscal 1992 and \$66,527 in fiscal 1993. These unexpended grants, which the legislature de-authorized in House Bill 12, are: 1) Carbon County/Roberts Water System - \$47,500; 2) Cascade Water System - \$50,000; 3) Cataract Creek Reclamation - \$21,565; 4) Grasshopper Creek Restoration - \$2,274; and 5) Cascade Landfill and Park - \$11,711.

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- 3) Personal Services Reduction - The Conservation and Resource Development Division will reduce personal services expenditures by \$9,113 in fiscal 1992 and \$7,737 in fiscal 1993 by holding vacant positions open for a longer period of time.
- 4) Funding Switch - The Water Resources Division will use \$30,000 of water development funds appropriated to the Water Courts (Judiciary) during the 1991 regular session to replace a like amount of general fund in fiscal year 1992. The Executive Budget proposal used \$40,891 in fiscal 1992 and \$40,908 in fiscal 1993 from the water development appropriation for Water Courts to replace general fund in DNRC's Water Resources Division. However, after hearing testimony from the Chief Water Judge regarding the impact of such a reduction in the Water Court budget, the legislature approved a funding switch of only \$30,000 in fiscal 1992.
- 5) Funding Switch - The Water Resources Division will use \$87,000 of water development funds appropriated for the Lower Missouri River Environmental Impact Statement (EIS) to replace general fund in fiscal 1992. The funds were originally appropriated for the Missouri Basin Reservation budget modification, which was reduced by \$87,000 in order to complete the funding switch.
- 6) Funding Switch - The Water Resources Division will use \$100,000 of water development funds appropriated for the Nevada Creek feasibility study to replace general fund in fiscal 1992. These funds were included in the Rehabilitation of State Water Projects budget modification, which was reduced by \$100,000.
- 7) Funding Switch - The legislature approved the use of \$30,000 of federal funds to replace a like amount of general fund in Water Resources Division in fiscal 1992. These funds were granted to the agency (\$15,000 each from Bureau of Reclamation and Bureau of Land Management) for contested hearings on the Missouri River Reservations proceedings.
- 8) Funding Switch - The legislature directed the agency to request that the Board of Natural Resources and Conservation (BNRC) double water rights filing fees, which have generated approximately \$90,000 per year for the past three years. If the increase is approved, the Water Resources Division will use increased fee income to replace \$80,000 of general fund in fiscal 1993.
- 9) Personal Services Reduction - The Water Resources Division will reduce personal services expenditures by \$93,695 in fiscal 1992 and \$129,479 in fiscal 1993 by maintaining seven positions vacant throughout the biennium.
- 10) Treasure State Endowment - The Water Resource Division's fiscal 1993 general fund appropriation was increased by \$20,000 to implement House Bill 19 (Treasure State Endowment), contingent upon electoral approval in June of 1992.
- 11) Personal Services Reduction - The Reserved Water Rights Compact Commission (RWROC) will reduce personal services expenditures by \$26,769 in fiscal 1992. This reduction, which represents the RWROC's reduction for both years of the biennium, is possible due to significant vacancy savings realized in fiscal 1992.
- 12) Funding Switch - The Energy Division will use increased fee income to replace general fund: \$20,000 in fiscal 1992 and \$40,000 in fiscal 1993. The division charges fees to do environmental assessments for projects seeking Major Facility Siting Act/Montana Environmental Policy Act (MFSA/MEPA) certification. Although the fees charged will not increase, there will be an increase in the amount of fee-producing work done by the division.

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13) Personal Services Reduction - The Energy Division will reduce personal services expenditures by \$21,935 in fiscal 1992 and \$3,455 in fiscal 1993 through vacancy savings.

Language

During the January 1992 special session, the legislature added language to House Bill 2: 1) directing the department not to reduce general fund appropriations for the Statewide Resource Conservation and Development Coordinator or operating expenses; and 2) making the \$20,000 appropriation to implement House Bill 19 (Treasure State Endowment) contingent upon electoral approval.

RIT Interest

The department receives funding from three Resource Indemnity Trust (RIT) interest accounts: 1) water development; 2) renewable resources; and 3) reclamation and development. The following table shows RIT interest used to fund agency activities in the 1993 biennium, as appropriated by both the 1991 regular and 1992 special sessions.

TABLE 1
RIT Funding in Current Level & Budget Modifications
Department of Natural Resources and Conservation
1993 Biennium

Program	-----Current Level-----		
	Water Development	Renewable Resource Development	Reclamation and Development
1. Central Svcs	\$277,047	\$28,894	\$244,114
2. CARD	0	0	0
a. Cons Dist	97,500	141,062	805,627
b. Rural Dev	0	0	51,529
c. Rsrc Dev	450,526	272,380	95,605
3. Water Resources	0	0	0
a. Admin	147,760	0	147,760
b. Water Rights	217,000	0	217,000
c. Engineering	1,394,513	0	1,394,513
d. Water Mgmt	203,654	0	1,405,530
e. Dam Safety	0	0	265,672
4. Compact Comm	0	0	566,099
5. Pay Plan	161,440	23,718	201,051
Total Current Level	<u>\$2,949,440</u>	<u>\$466,054</u>	<u>\$3,431,573</u>
			<u>\$6,847,067</u>

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	Water Development	Renewable Resource Development	Reclamation and Development	Total
	-----Modifications-----			
1. St Owned Proj	\$891,000	\$0	\$0	\$891,000
2. Poplar River	66,800	0	0	66,800
3. Tongue River	400,000	0	0	400,000
4. Msri River Res	287,981	0	0	287,981
5. Pay Exceptions--Eng/Env Spec	108,767	5,489	85,733	199,989
6. Pay Exceptions--Hydrologists	44,090	0	105,342	149,432
Total Modifications	<u>\$1,798,638</u>	<u>\$5,489</u>	<u>\$191,075</u>	<u>\$1,995,202</u>
TOTAL RIT IN DNRC	<u>\$4,748,078</u>	<u>\$471,543</u>	<u>\$3,622,648</u>	<u>\$8,842,269</u>

Budget as Approved by the Regular 1991 Legislative Session

The legislature implemented a 4 percent vacancy savings reduction for this agency in the 1993 biennium.

FTE increase by 6.0 from fiscal 1990 to fiscal 1992 due to: 1) the addition of 4.0 FTE each year in budget modifications; 2) continuation of 1.0 FTE added in fiscal 1991 by the 1989 legislature in the Reserved Water Rights Compact Commission; and 3) the addition of 1.0 FTE in current level to implement House Bill 908, which requires management and measurement of chronically dewatered streams.

Personal services increase 16.1 percent from fiscal 1990 to fiscal 1992 primarily due to: 1) the additional FTE; 2) the pay exception budget modifications, which add \$231,802 in fiscal 1992 and \$231,145 in fiscal 1993; 3) vacancy savings realized in fiscal 1990; and 4) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. This increase is partially offset by the 4 percent vacancy savings reduction implemented by the legislature for the 1993 biennium, which reduces personal services by \$312,609 in fiscal 1992 and \$312,176 in fiscal 1993.

Operating expenses increase 88.9 percent because of: 1) the addition of spending authority for fees collected from environmental analyses required by either the Major Facility Siting Act (MFSa) or the Montana Environmental Protection Act (MEPA); 2) state water project rehabilitation expenses; 3) Broadwater Dam operating and maintenance costs; 4) budget modifications; and 5) miscellaneous additions discussed in the program narratives that follow.

Equipment increases 95.5 percent in fiscal 1992 because of a \$329,730 biennial appropriation for Broadwater Dam equipment repair and replacement.

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Capital outlay increases as the net result of budget modifications in the Water Resources Division, partially offset by elimination of fiscal 1990 expenditures of \$448,241 due to project completion.

Local assistance is provided to conservation districts. The 51.4 percent increase in grants is due primarily to budget modifications and increases in grants for the institutional conservation, bioenergy, and construction demonstration programs.

Transfers consisted of the transfer of Broadwater Dam bond proceeds into a debt service account in fiscal 1990. Debt service increases by 67.8 percent primarily due to the addition of \$23,336 per year for purchase of a computer system for the Reserved Water Rights Compact Commission.

Reorganization

In the 1991 regular session, the Executive Budget included a proposal to reorganize the Departments of Natural Resources and Conservation, Health and Environmental Sciences and State Lands. That proposal was not approved by the legislature.

Summary of Budget Modifications

	PGM	FTE	General Fund	Other Funds	FTE	General Fund	Other Funds
1 Missouri River Lawsuit	21		\$25,000	\$50,000			\$50,000
2 Oil & Gas EIS/MEPA Compliance	22			8,361			8,106
3 Pay Exceptions Civ Eng/Env Spec	23			20,000			
4 Clean Coal Technology	23			34,358			
5 Statewide RC & D Coordinator	23	1.0	34,357		1.0	\$14,438	14,438
6 Treasure St Endowmt - HB 19	24					20,000	
7 Rehab State Water Projects	24						
8 Poplar River Monitoring	24			891,000			
9 Pay Exceptions-Civ Eng/Env Spec	24		27,374	33,050		27,374	33,750
10 Pay Exceptions-Hydrologists	24			90,736			90,736
11 Middle Creek Dam	24			71,113			71,113
12 Smith River	24			3,896,925			
13 Tongue River Dam	24			1,600,000			
14 Missouri Basin Reservation	24			2,000,000			
15 Pay Exceptions-Civ Eng/Env Spec	25	3.00	3,948	371,248	3.00	3,936	82,317
16 Pay Exceptions-Hydrologists	25			7,331			7,311
17 Pay Exceptions-Civ Eng/Env Spec	26		10,349	11,440			11,410
18 Energy Conservation	26			1,150		10,042	1,117
				107,000			334,500
Totals		4.00	\$101,028	\$9,193,712	4.00	\$75,790	\$704,798

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- 1) Missouri River/Corps of Engineers Lawsuit - This modification establishes a \$25,000 general fund biennial appropriation to support Montana's share of costs associated with the case jointly filed against the Army Corps of Engineers by Montana, North Dakota and South Dakota.
- 2) EIS/NEPA Compliance - This modification funds implementation of the programmatic environmental impact statement (EIS) adopted by the Board of Oil and Gas Conservation in December 1989. It is totally funded from the oil and gas special revenue account.
- 3) Pay Exceptions—Civil Engineers/Environmental Specialists - This modification provides the Conservation/Resource Development Division with \$2,787 from the water development, renewable resource development and reclamation and development state special revenue accounts in fiscal 1992 for "blanket" pay exceptions were approved for these classifications; and \$2,702 from each of the same accounts in fiscal 1993 for the same purpose.
- 4) Clean Coal Technology - During the 1991 regular session, the legislature approved this modification to implement House Bill 701 (Clean Coal Technology). It is funded with state special revenue from the local impact account, and provides a \$20,000 biennial appropriation to contract for rule drafting and establishment of project criteria.
- 5) Statewide RC & D Coordinator - Through this modification, the legislature provided a statewide Resource Conservation and Development coordinator to assist with grassroots rural economic development activities. Funds are 50 percent general fund and 50 percent federal funds. During the January 1992 special session, the legislature added language to House Bill 2 that prohibits decreasing this modification to meet general fund budget reductions.
- 6) Treasure State Endowment - HB 19 - During the January 1992 special session, the legislature added \$20,000 general fund in fiscal 1993 to the Water Resources Division to implement the Treasure State Endowment program. Language in House Bill 2 makes the appropriation contingent upon electoral approval in June 1992.
- 7) Rehabilitation of State Owned Water Projects - RIT interest from the water development account funds this biennial appropriation to support construction and pre-construction activities on the following projects: Tongue River Dam, Middle Creek Dam, North Fork Smith River Dam, Ruby Dam, and Nevada Creek Dam. Support for the Nevada Creek Dam feasibility study comes from \$200,000 in excess Broadwater hydropower revenue. A \$91,000 biennial appropriation for unanticipated miscellaneous repairs is also included. During the 1992 special session, the legislature reduced the original appropriation of \$991,000 by \$100,000 (half of the amount budgeted for the Nevada Creek Dam feasibility study), which was then used to replace the same amount of general fund in the Water Resources Division.
- 8) Poplar River - This modification adds RIT water development funds to monitor water quality and quantity on the Poplar River at the international boundary between Montana and Saskatchewan in accordance with a bi-national monitoring committee request. A total of \$18,000 per year will be granted to the Bureau of Mines for groundwater monitoring, with the remaining funds used to contract with the United States Geological Survey (USGS) for collecting water quality and quantity information.
- 9) Pay Exceptions—Civil Engineers/Environmental Specialists - This modification provides the Water Resources Division with funds for "blanket" pay exceptions for these classifications. General fund and state special revenue including RIT interest, water rights appropriation funds, and Broadwater operations and maintenance funds support the modification.

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- 10) Pay Exceptions - Hydrologists - State special revenue (water development, reclamation and development, and Broadwater operations and maintenance) funds "blanket" pay exceptions for this classification in the Water Resources Division.
- 11) Middle Creek Dam - A biennial appropriation of \$3,896,925 was added to bring the Middle Creek Dam up to present dam safety standards and to provide additional storage capacity. Funding is from a U.S. Bureau of Reclamation loan for \$3,121,925 and a federal grant for the remaining \$775,000. The loan will be repaid by the City of Bozeman and the water users.
- 12) Smith River - This modification adds biennial spending authority of \$1,600,000 in federal funds to rehabilitate the water project on the North Fork of the Smith River, where seepage and an undersized spillway have caused stability concerns. The federal funds will be in the form of a loan, which will be repaid by the water users.
- 13) Tongue River - A biennial appropriation of \$2,000,000 was added to complete final design specifications for the Tongue River Dam, which the U.S. Army Corps of Engineers has classified an unsafe, high-hazard structure. Funding for this project will consist of \$1,600,000 from a U.S. Bureau of Reclamation grant and \$400,000 from the RIT water development state special revenue account. The water development funds were unspent from the 1991 biennium appropriation for rehabilitation of state owned water projects due to lower than anticipated costs.
- 14) Missouri Basin Reservation - This modification continues the Missouri River reservation process begun by the legislature in 1985. During the 1993 biennium, the department will prepare the Environmental Impact Statement (EIS) on reservation applications in the lower Missouri and Little Missouri river basins. The 1991 legislature appropriated \$540,565 for this modification, which included a biennial appropriation of \$375,743 for operating expenses. Funding consisted of \$165,584 from the Department of Fish, Wildlife & Parks general license and federal accounts and \$374,981 from the RIT water development account. During the January 1992 special session, the legislature reduced the biennial operating expense appropriation and water development funding by \$87,000, which was then used to replace a like amount of general fund in the Water Resources Division.
- 15) Pay Exceptions--Civil Engineers/Environmental Specialists - This modification appropriates general fund and reclamation and development state special revenue to the Reserved Water Rights Compact Commission (RWROC) to fund "blanket" pay exceptions for these classifications.
- 16) Pay Exceptions--Hydrologists - Reclamation and development state special revenue funds are provided to the RWROC in this modification to fund "blanket" pay exceptions for this classification.
- 17) Pay Exceptions--Civil Engineers/Environmental Specialists - General fund and major facility siting state special revenue are appropriated to fund "blanket" pay exceptions approved for these classifications in the Energy Division.
- 18) Energy Conservation - This modification adds federal Department of Energy and Bonneville Power Administration funds to: 1) implement federal energy efficiency programs through the State Energy Conservation program; and 2) provide energy efficiency technical assistance to consumer groups through the Biomass Utilization and Cogeneration program.

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Funding

The 1991 legislature approved general fund increases of 18.2 percent, primarily due to: 1) increases in current level program costs; and 2) budget modifications, which add \$176,818 over the biennium (\$20,000 in fiscal 1993 was added during the special session to implement the Treasure State Endowment program). During the 1992 special session, the legislature reduced general fund appropriations by \$528,751 in fiscal 1992 and \$329,343 in fiscal 1993.

State special revenue increases due to the addition of major facility siting and Broadwater Dam spending authority, budget modifications, and current level cost increases in the Reserved Water Rights Compact Commission and Energy Division. During the 1992 special session, the legislature added state special revenue of \$116,523 in fiscal 1992 and \$186,527 in fiscal 1993.

Federal funds increase primarily because of: 1) biennial appropriations for dam construction; 2) budget modifications; 3) current level increases in rural economic development, floodplain management and builders training programs; 4) increased grant funds; and 5) the addition of funds for administration of state revolving fund loans. These increases are partially offset by the elimination of federal oil overcharge indirect funds.

Other Legislation

The following table shows other legislation that appropriates funds to the department for the 1993 biennium, approved by the 1991 regular and 1992 special session.

In addition to the bills listed below, the 1992 special session legislature enacted House Bill 12 which also impacts the budget of this department. House Bill 12 amended current law dealing with water development, renewable resource and reclamation and development grants, by de-authorizing five previously awarded grants totalling \$133,050. These funds were then appropriated by the legislature to replace the same amount of general fund in the Conservation/Resource Development Division. This action is further discussed in the Special Session Action section above.

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Bill No./Description	Fiscal 1992			Fiscal 1993		
	FTE	General Fund	Total Funds	FTE	General Fund	Total Funds
HB 6 - Water Development/Renewable Resource Grants/Loans*	0.00	0	\$4,703,177			
HB 7 - Water Development Loans*	0.00	0	30,586,748			
HB 8 - Reclamation & Development Grants*	0.00	0	4,567,773			
HB 10 - Oil Overcharge Funds*	0.00	0	1,185,000			
HB 19 - Treasure State Endowment	0.00	0	0			
HB 524 - Wind Farm Transmission Study*	0.00	0	70,000	0.0	\$20,000	\$20,000
HB 684 - Clean Coal Technology*	0.00	0	250,000			
HB 777 - State Building Energy Conservation Program*	0.00	0	400,000			
Totals	0.00	\$0	\$41,762,698	0.00	\$20,000	\$20,000
*Biennial appropriation						

HB 6 - Water Development & Renewable Resource Grants and Loans - This bill appropriates \$889,812 from the water development state special revenue account to the department for 13 grants; \$1,276,966 from the renewable resource development state special revenue account for 18 grants; \$1,007,619 for 10 loans; and reappropriates \$1,403,780 for 9 projects authorized by previous legislatures. This bill also appropriates up to \$125,000 from the water development account to the department for emergency projects. For further information on grant and loan recipients, projects and award amounts, see the "Long Range Planning" section, Table 1.

HB 7 - Water Development Loans - This bill appropriates \$8,227,283 to the department for 7 loans and reappropriates \$22,359,465 for 12 loans authorized by previous legislatures. Loans are funded with proceeds from coal severance tax bond sale proceeds. HB 7 also reauthorizes expenditure of Broadwater Dam construction funds. For more information on loan recipients, projects and amounts, see the "Long Range Planning" section, Table 3.

HB 8 - Reclamation and Development Grants - This bill provides \$4,160,773 from the reclamation and development state special revenue account to the department for 24 grants and reauthorizes \$407,000 for 2 grants approved by previous legislatures. For additional information on grant recipients, projects and amounts, see the "Long Range Planning" section, Table 2.

HB 10 - Oil Overcharge Funds - This bill appropriates the following federal oil overcharge funds to the department: 1) \$200,000 for demonstration of vegetable oil fuel substitutes or extenders; 2) \$235,000 for technical assistance to local governments for retrofitting

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local government buildings with energy conservation measures; 3) \$100,000 for conservation districts to fund local energy efficiency or renewable energy projects; and 4) \$650,000 for the Institutional Conservation program for schools and hospitals.

HB 19 - Treasure State Endowment - During the 1992 special session, the legislature enacted this bill which provides the department with rulemaking authority and a \$20,000 general fund appropriation in fiscal 1993 to implement the Treasure State Endowment program. The appropriation is contingent upon electoral approval in June of 1992.

HB 524 - Wind Farm Transmission Study - The department is appropriated \$70,000 from federal oil overcharge funds for a wind farm transmission study.

HB 684 - Clean Coal - This bill appropriates \$250,000 from the local impact state special revenue account to the department for a loan to the MHD Corlette project to develop an application for clean coal technology funding from the U.S. Department of Energy.

HB 777 - State Building Energy Conservation Program - This bill provides \$400,000 from oil overcharge funds to the department for administration of the state owned building program authorized in Title 90, Chapter 4, Part 6, MCA. Also authorizes the issuance of \$3 million in general obligation bonds to fund energy savings projects in state owned buildings during the 1993 biennium.

CENTRALIZED SERVICES

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	39.00	39.00		39.00	39.00	39.00		39.00
Personal Services	1,195,520	1,151,804	73,370	1,225,174	1,193,532	1,171,387	118,086	1,289,473
Operating Expenses	487,970	487,970	0	487,970	425,436	425,436	0	425,436
Equipment	4,904	4,904	0	4,904	4,949	4,949	0	4,949
Debt Service	10,645	10,645	0	10,645	10,713	10,713	0	10,713
Total Costs	\$1,699,039	\$1,655,323	\$73,370	\$1,728,693	\$1,634,630	\$1,612,485	\$118,086	\$1,730,571
Fund Sources								
General Fund	1,304,257	1,260,541	54,709	1,315,250	1,240,145	1,218,000	88,279	1,306,279
State Revenue Fund	390,391	390,391	18,661	409,052	390,121	390,121	29,807	419,928
Federal Revenue Fund	4,391	4,391	0	4,391	4,364	4,364	0	4,364
Total Funds	\$1,699,039	\$1,655,323	\$73,370	\$1,728,693	\$1,634,630	\$1,612,485	\$118,086	\$1,730,571

Program Description

Centralized Services Division provides managerial and administrative support services essential to the effective operation of the department. The program has three components: 1) the Director's Office, which has responsibility for overall management and major decisions and recommendations within the jurisdiction of the department, includes the deputy director, legal, public information, and personnel support functions; 2) the Centralized Services program, which manages all financial activities, coordinates information systems, produces and coordinates publications and graphic materials, and performs general administrative support services; and 3) the Board of Natural Resources and Conservation (BNRC), which has statutorily assigned quasi-judicial functions, adopts department administrative rules if board approval is required. The BNRC is also responsible for approving reservations of water under the Montana Water Use Act, the siting of energy developments covered by the Major Facility Siting Act, and floodplain delineations under the Montana Floodplain and Floodway Management Act. The BNRC, whose seven members are appointed by the Governor, also acts in an advisory capacity to the department in all other matters.

The Centralized Services Division also houses the department's Digital Equipment Corporation (DEC) computer system, which is used for: 1) DNRC word processing and applications that do not require the mainframe; and 2) transmittal of all necessary DNRC data to the mainframe. This system was purchased in 1989 on a lease/purchase agreement. The final payment will be made in fiscal 1993.

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Centralized Services charges all agency programs for a portion of the lease/purchase debt service based upon the total number of pieces of equipment each department has accessing the system.

Special Session Action

As shown in the Special Session Action table at the agency level, the legislature approved general fund reductions of \$43,716 in fiscal 1992 and \$22,145 in fiscal 1993 for this division.

Language

"All indirect charges collected on oil overcharge funds are appropriated for transfer to the general fund."

"Included in Centralized Services funding is \$10,000 per year of indirect funds from Major Facility Siting fees. If major facility siting activities generate more than \$20,000 of indirect funds over the biennium, the additional major facility siting fee indirect funds will be used to fund centralized service operations and an equal amount of centralized service division general fund will be reverted."

Budget as Approved by the Regular 1991 Legislative Session

Personal services increase 8.8 percent due to continuation of the fiscal 1991 pay plan increase in the 1993 biennium and because this division experienced significant vacancy savings in fiscal 1990. These increases are partially offset by the 4 percent vacancy savings for the 1993 biennium, which reduces personal services by \$49,813 in fiscal 1992 and \$49,731 in fiscal 1993.

Operating expenses increase 24.7 percent due to: 1) the addition of audit fees of \$42,617 in fiscal 1992, compared to a 1991 biennial appropriation of \$35,973 (of which \$12,147 was expended in fiscal 1990); 2) the Missouri River/Corps of Engineers Lawsuit budget modification, which adds \$25,000 in fiscal 1992; 3) increased rent, which adds \$17,393 in fiscal 1992 and \$21,931 in fiscal 1993; 4) a \$14,357 per year increase in computer network fees; and 5) an increase of \$4,523 in fiscal 1992 and \$4,497 in fiscal 1993 for Army Corps of Engineers' rent, which was moved to this division from the Conservation and Resource Development Division.

Equipment includes office equipment, computer equipment and software. Debt service is this division's share of the department's Digital Equipment Corporation (DEC) computer system.

Funding

The centralized services function is funded with general fund, federal Army Corps of Engineers funds, and assessments against state special revenue funds. Assessments ranging from 6.0 to 11.0 percent are levied against all state special revenue accounts used to fund

CENTRALIZED SERVICES

agency activities. The balance remaining after these assessments and available federal funds is funded with general fund. The following table shows total division funding.

The assessment percentages shown below are assessments levied against state special revenue during the 1991 regular session to fund centralized services. Because the amounts assessed were not modified to maintain the same percentage when funding switches were made during the 1992 special session, and were increased to reflect the pay plan allocation, the amounts assessed each state special revenue funding source no longer equal the assessment percentages shown below. The fixed fee amounts also reflect an increase related to allocation of the pay plan.

Table 2
Centralized Services Division Funding

<u>Fund Source</u>	<u>Assessment</u>		<u>---Assessment/Fees---</u>	
	<u>1992</u>	<u>1993</u>	<u>Fiscal 1992</u>	<u>Fiscal 1993</u>
Rangeland Improvement Loans	6%	6%	\$ 9,252	\$ 9,498
Major Facility Siting	*	*	10,173	10,443
Water Rights	6%	6%	4,853	4,982
Grazing Fees	*	*	509	523
Conservation District Grants	6%	6%	5,392	5,535
Alternative Energy	10%	10%	18,308	18,794
Oil & Gas	*	*	72,293	74,215
Renewable Resources	6%	6%	15,142	15,546
Water Development	11%	11%	145,196	149,055
Reclamation & Development	8%	8%	127,934	131,337
TOTAL ASSESSMENTS/FEES			409,052	419,928
General Fund: Central Services			1,295,241	1,286,263
General Fund: Bd of Nat Rsc Cons			20,009	20,016
Federal Funds (Army Corps of Engineers)			4,391	4,364
TOTAL CENTRALIZED SERVICES DIVISION FUNDING			<u>\$1,728,693</u>	<u>\$1,730,571</u>

*Fixed fee

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General fund increases over the previous biennium primarily because assessments against state special revenues remain constant from the current fiscal 1990 level, except for the pay plan and 1992 special session funding switch circumstances discussed above. Consequently, increases in total program costs are funded with general fund. Federal funds consisted of assessments against oil overcharge funds in fiscal 1990. As these funds were spent, the department levied an indirect assessment to help fund the Centralized Services Division. Because of uncertainty over the level of funds available, no assessments on oil overcharge funds are included in the centralized services budget in the 1993 biennium. The legislature has approved language appropriating all indirect charges collected on oil overcharge funds for transfer to the general fund.

OIL & GAS REGULATION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	26.00	26.00		26.00	26.00	26.00		26.00
Personal Services	729,296	729,296	46,432	775,728	727,878	727,878	73,414	801,292
Operating Expenses	403,493	403,493	0	403,493	389,643	389,643	0	389,643
Equipment	67,461	67,461	0	67,461	68,077	68,077	0	68,077
Debt Service	980	980	0	980	980	980	0	980
Total Costs	\$1,201,230	\$1,201,230	\$46,432	\$1,247,662	\$1,186,578	\$1,186,578	\$73,414	\$1,259,992
<u>Fund Sources</u>								
State Revenue Fund	1,201,230	1,201,230	46,432	1,247,662	1,186,578	1,186,578	73,414	1,259,992
Total Funds	\$1,201,230	\$1,201,230	\$46,432	\$1,247,662	\$1,186,578	\$1,186,578	\$73,414	\$1,259,992

Program Description

The Oil and Gas Conservation Division administers the Montana oil and gas conservation laws to promote conservation and prevent waste in the recovery of these resources through regulation of exploration and production of oil and gas. To meet this goal, the division:

- 1) issues drilling permits; 2) classifies wells; 3) establishes well spacing units and pooling orders; 4) inspects drilling, production, and seismic operations; 5) investigates complaints; 6) does engineering studies; and 7) collects and maintains complete well data and production information.

Language

"The Board of Oil and Gas Conservation is appropriated \$110,000 per year from federal special revenues contingent upon receiving federal funds from the Environmental Protection Agency (EPA) for the Underground Injection Control (UIC) program."

Budget as Approved by the Regular 1991 Legislative Session

This division is seeking primacy from the Environmental Protection Agency for the Underground Injection Control (UIC) program. The 1989 legislature appropriated 4.0 FTE and \$282,903 of state special revenue to operate the program in fiscal 1990, as well as an additional \$110,000 of anticipated federal funds once primacy was achieved. As of March 1, 1991, no FTE had been hired and no expenses

OIL & GAS REGULATION

incurred because the state had not been granted primacy by EPA. State special revenue for the program has been continued in the 1993 biennium to allow the department to continue to seek primacy, and language was added that appropriates up to \$110,000 per year of anticipated federal UIC funds once primacy is achieved.

Personal services increase 39.9 percent due to: 1) continuation of 4.0 FTE for the UIC program, which adds \$111,876 in fiscal 1992 and \$111,636 in fiscal 1993; 2) vacancy savings in fiscal 1990; and 3) continuation of the fiscal 1991 pay plan in the 1993 biennium. These increases are partially offset by the 4 percent vacancy savings implemented for the 1993 biennium, which reduces personal services by \$30,388 in fiscal 1992 and \$30,328 in fiscal 1993.

Operating expenses increase 95.9 percent primarily due to: 1) continuation of funding for the UIC program, which adds \$151,991 in fiscal 1992 and \$151,812 in fiscal 1993; 2) the addition of \$31,801 in fiscal 1992 and \$32,145 in fiscal 1993 for the EIS/NEPA budget modification discussed below; and 3) a \$12,000 increase in legal costs in fiscal 1992.

Equipment includes vehicles and office, computer and field equipment. Debt service funds the division's share of the department's DEC system, and decreases because of reallocation of these expenses among programs.

Funding

The oil and gas conservation account funds this division. Revenue for this account is derived from drilling permits, a conservation tax on oil and gas production, interest earnings, and miscellaneous fees for photocopy and other services.

CONSERVATION/RESOURCE DEVELOPMENT DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	21.00	21.00		21.00	21.00	21.00		21.00
Personal Services	604,545	595,432	45,152	640,584	603,669	595,932	73,229	669,161
Operating Expenses	311,035	311,035	0	311,035	253,386	253,386	0	253,386
Equipment	14,414	14,414	0	14,414	14,789	14,789	0	14,789
Local Assistance	95,000	95,000	0	95,000	95,000	95,000	0	95,000
Grants	186,089	186,089	0	186,089	186,089	186,089	0	186,089
Debt Service	2,364	2,364	0	2,364	2,364	2,364	0	2,364
Total Costs	\$1,213,447	\$1,204,334	\$45,152	\$1,249,486	\$1,155,297	\$1,147,560	\$73,229	\$1,220,789
<u>Fund Sources</u>								
General Fund	110,292	34,656	3,624	38,280	90,781	16,517	5,935	22,452
State Revenue Fund	1,014,032	1,080,555	39,247	1,119,802	995,296	1,061,823	63,576	1,125,399
Federal Revenue Fund	89,123	89,123	2,281	91,404	69,220	69,220	3,718	72,938
Total Funds	\$1,213,447	\$1,204,334	\$45,152	\$1,249,486	\$1,155,297	\$1,147,560	\$73,229	\$1,220,789

Program Description

The Conservation and Resource Development Division is made up of the Conservation Districts Bureau and the Resource Development Bureau.

The Conservation Districts Bureau coordinates, supervises, and provides financial and technical assistance to Montana's 59 conservation districts. It serves as coordination and liaison between conservation districts and federal, state, and local governments. The bureau is also responsible for statewide coordination of rangeland management and administration of the state's 30 grazing districts. The Resource Development Bureau provides technical, financial, and administrative assistance to public and private entities to complete projects that put renewable resources to work, increase the efficiency with which natural resources are used, or solve recognized environmental problems. In fulfilling these duties, the bureau administers four loan and grant programs.

Special Session Action

As shown on the Special Session Action table at the agency level, the legislature made the following changes to this program during the 1992 special session: 1) reduced general fund personal service expenditures by \$9,113 in fiscal 1992 and \$7,737 in fiscal 1993;

CONSERVATION/RESOURCE DEVELOPMENT DIVISION

and 2) used \$133,050 of RIT interest grant funds to replace \$66,523 of general fund in fiscal 1992 and \$66,527 of general fund in fiscal 1993. In addition, the legislature added language prohibiting the department from reducing the general fund appropriation for the Statewide Resource Conservation and Development Coordinator and operating expenses.

Language

"The department is appropriated up to \$700,000 from the account established in Section 76-14-112 for rangeland loans during the 1993 biennium."

"The department is appropriated up to \$1 million over the biennium from the accounts established in Section 85-1-604, for purchase of prior liens on property held as loan security as required by Section 85-1-618."

"All funds deposited into the state special revenue account established in Section 76-15-530 are appropriated to the department for distribution as grants to conservation districts."

"[Statewide Resource Conservation and Development Operating Expenses] is a biennial appropriation."

"The general fund appropriation in [Statewide Resource Conservation and Development budget modifications] may be expended only as a match for an equal amount of federal funds."

The following language was added by the legislature during the 1992 special session:

"The department may not reduce general fund appropriations for the Statewide Resource Conservation and Development Coordinator or the Statewide Resource Conservation and Development operating expenses as shown in [Statewide Resource Conservation and Development Coordinator] and [Statewide Resource Conservation and Development Operating Expenses]."

Budget as Approved by the Regular 1991 Legislative Session

FTE increase due to the addition of 1.0 FTE in the Statewide Resource Conservation & Development (RCS&D) Coordinator budget modification discussed at the agency level.

Personal services increase due to: 1) the RC & D Coordinator and Pay Exception budget modifications, which add \$37,302 in fiscal 1992 and \$36,982 in fiscal 1993; 2) vacancy savings realized in fiscal 1990; and 3) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. These increases are partially offset by the 4 percent vacancy savings implemented for the 1993 biennium, which reduce personal services by \$24,841 in fiscal 1992 and \$24,815 in fiscal 1993.

The operating expense increase is primarily due to the Statewide RC & D Coordinator and House Bill 701 Implementation (Clean Coal Technology) budget modifications, which add biennial appropriations of \$59,774 in fiscal 1992.

CONSERVATION/RESOURCE DEVELOPMENT DIVISION

Local assistance is provided to conservation districts to supplement local funding sources when mill levy revenue is inadequate to support district operations. The total, which represents the agency request, is funded with RIT reclamation and development funds.

Grants include: 1) a \$100,000 per year pass-through grant to the Montana Salinity Control Association for saline seep reclamation activities; and 2) \$86,089 per year for grants to local conservation districts for projects and activities. The saline seep grant is funded with RIT reclamation and development funds, and the conservation district grants are funded from the statutory allocation (0.19 percent) of coal severance tax.

Debt service is the division's share of the department's DEC system.

Funding

The Conservation and Resource Development Division is funded with: 1) state special revenues, which include rangeland improvement loan administration fees, grazing district fees, conservation district coal severance tax income, local impact funds, and RIT interest through the renewable resource development account (RRD), reclamation and development account (R and D), and water development account; 2) federal funds, which include a grant for Rural Economic Development and state revolving fund loan administration fees; and 3) general fund.

During the 1992 special session, the legislature de-authorized (in House Bill 12) five previously awarded RIT interest grants totalling \$133,050: 1) \$97,500 from the water development account; 2) \$11,711 from the renewable resource development account; and 3) \$23,839 from the reclamation and development account. A listing of the de-authorized grants is found in the Special Session Action section at the agency level. The grant funds were then used to replace the same amount of general fund in the Conservation Districts Bureau: 1) \$66,523 in fiscal 1992; and \$66,527 in fiscal 1993.

The following table details funding for this division. Since the personal services budget reduction implemented by the legislature during the special session will be met through non-predetermined vacancy savings, it is presented as a separate entry on the table below.

CONSERVATION/RESOURCE DEVELOPMENT DIVISION

Table 3
Conservation & Resource Development Division Funding
Fiscal 1992

Fund Source	Conservation Districts	Rural Economic Development	Conservation and Resource Development	Budget Mods	Budget Reduction	Pay Plan	Total
General Fund	\$9,412			\$34,357	(\$9,113)	\$3,624	\$38,280
State Special							0
Range Imp.	4,930					113	5,043
Grazing Dist.	6,036					138	6,174
Cons. Dist.	84,885						84,885
Water Dev.	66,523		225,188	2,787		13,758	308,256
R & D	64,682	25,626	136,134	2,787		8,367	211,970
Local Impact	396,190		42,000	20,000		16,871	483,474
Federal Funds							20,000
SRF Loan Admin		40,233	14,532	34,358		889	15,421
Res. Dev.						1,392	75,983
TOTAL	\$632,658	\$65,859	\$417,854	\$97,076	(\$9,113)	\$45,152	\$1,249,486

Fiscal 1993

Fund Source	Conservation Districts	Rural Economic Development	Conservation and Resource Development	Budget Mods	Budget Reduction	Pay Plan	Total
General Fund	\$9,816			\$14,438	(\$7,737)	\$5,935	\$22,452
State Special							0
Range Imp.	4,929					182	5,111
Grazing Dist.	6,035					223	6,258
Cons. Dist.	84,867						84,867
Water Dev.	30,977		225,338	2,702		22,290	281,307
R & D	76,380	25,903	136,246	2,702		13,557	228,885
Local Impact	409,437		53,605	2,702		27,324	518,971
Federal Funds							0
SRF Loan Admin	(1)	40,238	14,545	14,438		1,438	15,983
Res. Dev.						2,280	56,955
TOTAL	\$622,440	\$66,141	\$429,734	\$36,982	(\$7,737)	\$73,229	\$1,220,789

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Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	124.20	124.20		124.20	124.20	124.20		124.20
Personal Services	3,692,136	3,598,441	229,268	3,827,709	3,687,033	3,557,554	368,105	3,925,659
Operating Expenses	1,496,748	1,409,748	0	1,409,748	1,118,879	1,138,879	0	1,138,879
Equipment	415,107	415,107	0	415,107	79,107	79,107	0	79,107
Capital Outlay	8,487,925	8,387,925	0	8,387,925	0	0	0	0
Grants	18,000	18,000	0	18,000	18,000	18,000	0	18,000
Debt Service	12,926	12,926	0	12,926	12,926	12,926	0	12,926
Total Costs	\$14,122,842	\$13,842,147	\$229,268	\$14,071,415	\$4,915,945	\$4,806,466	\$368,105	\$5,174,571
<u>Fund Sources</u>								
General Fund	2,583,018	2,242,323	131,917	2,374,240	2,575,895	2,386,416	211,340	2,597,756
State Revenue Fund	4,391,583	4,421,583	94,954	4,516,537	2,289,028	2,369,028	152,945	2,521,973
Federal Revenue Fund	7,148,241	7,178,241	2,397	7,180,638	51,022	51,022	3,820	54,842
Total Funds	\$14,122,842	\$13,842,147	\$229,268	\$14,071,415	\$4,915,945	\$4,806,466	\$368,105	\$5,174,571

Program Description

The Water Resources Division is responsible for many programs associated with the uses, development, and protection of Montana's water. The division also develops and recommends water policy to the director, Governor, and legislature. The division consists of an administration unit with an attached dam safety compliance staff and three separate bureaus: Water Management Bureau, Water Rights Bureau, and Engineering Bureau.

Special Session Action

As indicated in the Special Session Action table and narrative at the agency level, the legislature made the following changes to the Water Resource Division's budget: 1) reduced general fund personal services expenditures by \$93,695 in fiscal 1992 and \$129,479 in fiscal 1993; 2) authorized several funding switches that reduced general fund by \$247,000 in fiscal 1992 and \$80,000 in fiscal 1993; and 3) added \$20,000 in fiscal 1993 to implement House Bill 19 (Treasure State Endowment) contingent upon electoral approval.

WATER RESOURCES & PLANNING

Two of the fiscal 1992 funding switches approved by the legislature (totalling \$187,000) were accomplished through reductions to budget modifications as discussed in the Special Session Action section in the agency level narrative.

Language

"The appropriations for [State Owned Water Projects], [Middle Creek Dam], [Smith River Dam], and [Tongue River Dam] are biennial."

"Funds appropriated in [Broadwater Dam Equipment] must be used to repair and replace equipment at the Broadwater hydropower project and to service the Broadwater hydropower project bond debt if revenue deposited in the debt account is insufficient for this purpose."

"Funds received under the provisions of 85-1-514 (4) are appropriated to the department for the purpose of performing duties required under 85-1-514." This language authorizes the department to spend funds received from private parties who pay the department to prepare hydroelectric feasibility studies on state owned water projects.

"Funds received from bonds required by 37-43-306 are appropriated to the department for the purpose of performing remedial action on water wells, providing compensation for damages caused by water well violations, or paying administrative costs incurred by the Board of Water Well Contractors."

"Any revenue collected in the state water project hydroelectric power generation special revenue account established in Chapter 370 Laws of 1991 is appropriated to the department for the rehabilitation of the Tongue River Dam. The revenues will be used only if federal authorization for the project rehabilitation is secured." House Bill 586 has been signed into law, and stipulates that all excess revenue from the Broadwater hydropower project must be deposited into a special revenue account. This language appropriates funds from that account to the department for rehabilitation of the Tongue River Dam.

"Any fines collected under the provisions of Title 85, Chapter 2, and deposited in the water rights appropriation account in accordance with 85-2-318 are appropriated to the department to carry out the enforcement functions required under 85-2-114." This language authorizes the department to spend fines collected for violations of Title 85, Chapter 2, for water rights enforcement activities.

During the 1992 special session, the legislature added \$20,000 in fiscal 1993 to this division's budget to implement the Treasure State Endowment program. The following language was added regarding that appropriation:

"[Treasure State Endowment - House Bill 19] is to implement House Bill 19 and is contingent on passage of House Bill 19 and on electoral approval." The legislature passed House Bill 19. The electorate will vote on the proposal in June, 1992.

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Legislative Intent

In fiscal 1991, \$200,000 of excess revenue from the sale of Broadwater Dam hydropower was deposited into the water development state special revenue account and was used to support an additional state water rehabilitation project in the 1993 biennium. It is the legislature's intent that excess revenue in the 1993 biennium fund state water project rehabilitation.

Budget as Approved by the Regular 1991 Legislative Session

FTE increase by 4.0 due to: 1) the addition of 3.0 FTE through the Missouri River Reservation budget modification discussed at the agency level; and 2) the addition of 1.0 FTE to implement House Bill 908, which mandates management of and measuring devices on chronically dewatered streams.

Personal services increase 13.6 percent because of: 1) the Missouri River Reservation and Pay Exception budget modifications, which add \$271,728 in fiscal 1992 and \$271,540 in fiscal 1993; 2) House Bill 908, which resulted in the addition of \$27,902 in fiscal 1992 and \$27,838 in fiscal 1993; 3) vacancy savings in fiscal 1990; and 4) continuation of the fiscal 1991 pay plan increase in the 1993 biennium. These increases are partially offset by: 1) the 4 percent vacancy savings for the 1993 biennium, which reduces personal services by \$145,955 in fiscal 1992 and \$145,743 in fiscal 1993; and 2) a \$22,000 decrease in overtime for Broadwater Dam construction. During the 1992 special session, the legislature directed the division to reduce general fund personal service expenditures by \$93,695 in fiscal 1992 and \$129,479 in fiscal 1993.

Operating expenses increase by 31.9 percent due to: 1) the Missouri River Reservation and Poplar River budget modifications, which add \$390,793 in fiscal 1992 and \$15,750 in fiscal 1993; 2) increases of \$172,727 in fiscal 1992 and \$171,041 in fiscal 1993 for Broadwater Dam operations and maintenance; 3) a \$10,000 per year increase in Missouri River Basin Association dues; and 4) the addition of \$9,513 in fiscal 1992 and \$8,577 in fiscal 1993 to implement House Bill 908. These increases are partially offset by: 1) a \$43,447 decrease in contracted services; and 2) a \$22,727 per year decrease in computer network charges. During the special session, the legislature reduced the water development appropriation for Missouri River Reservation operating expenses by \$87,000, and authorized the department to use those funds instead of a like amount of general fund in this division.

Equipment includes \$329,730 in fiscal 1992 for Broadwater Dam equipment repair and replacement, two replacement vehicles, and various office, field monitoring, and computer equipment.

Capital outlay expenditures in fiscal 1990 were for the Middle Creek feasibility study and are not continued in the 1993 biennium due to completion of the study. Capital outlay in the 1993 biennium consists of the state water projects, Smith River, Middle Creek Dam, and Tongue River budget modifications. All are biennial appropriations. The special session legislature reduced the state water projects budget modification by \$100,000, and those water development funds were then used to replace the same amount of general fund in this division.

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Grants are for the Bureau of Mines to conduct groundwater monitoring. Transfers, which were used in fiscal 1990 to move Broadwater Dam bond sale proceeds from a bond proceeds account to a debt service account, are not continued in the 1993 biennium. Debt service in the 1993 biennium includes phone system leases and this division's share of the department's DEC system.

Funding

As discussed in the Special Session Action section at the agency level, the special session legislature approved several funding switches that reduced general fund expenditures in this division by \$247,000 in fiscal 1992 and \$80,000 in fiscal 1993. Two are discussed above: \$100,000 from the state owned water projects budget modification, and \$87,000 from the Missouri River Reservation budget modification. The three others are: 1) using \$30,000 of new federal funds in fiscal 1992; 2) increasing water rights filing fees to generate an additional \$80,000 in fiscal 1993; and 3) using \$30,000 of water development funds previously appropriated to the Water Courts (Judiciary) in fiscal 1992.

The Water Resources Division is funded with a mixture of general fund, state special revenue, and federal funds as shown in the following table which reflects special session action and funding switches. Since the personal services budget reduction will be realized through vacancy savings in all division programs, it is shown as a separate entry on the funding table below.

Table 4
Water Resources Division Funding
1993 Biennium

Fiscal 1992											
	General Fund	FWP SSR	Broadwtr O & M	Broadwtr Equipmt	Water Rights Approp	Water Devlpmt	Reclmatn and Devlpmt	Water Well Contrctr	State Asstnce (FEMA)	Federal Funds	TOTAL
Administration	\$153,978					\$73,879					\$227,857
New Water Rights	1,210,061				77,307	217,000				30,000	1,534,368
Water Rights Adj	824,490										824,490
Engineering	24,519		294,402	329,730		699,403			51,316		1,399,370
Water Management	77,311					101,858	601,143				780,312
Water Well Cont								36,856			36,856
Dam Safety	18,285						132,858				151,143
Budget Mods	27,374	165,584	13,173		945	1,603,398	74,047			7,096,925	8,981,446
Budget Reduction	(93,695)										(93,695)
Pay Plan	131,917		9,683		4,292	41,507	38,088	1,384	2,397		229,268
TOTAL	\$2,374,240	\$165,584	\$317,258	\$329,730	\$82,544	\$2,737,045	\$846,136	\$38,240	\$53,713	\$7,126,925	\$14,071,415

WATER RESOURCES & PLANNING

Fiscal 1993

	General Fund	FWP SSR	Broadwtr O & M	Broadwtr Equipment	Water Rights Approp	Water Devlpmt	Reclmatn and Devlpmt	Water Well Contractr	State Asstnce (FEWA)	Federal Funds	TOTAL
Administration	\$153,626					\$73,881					\$227,507
New Water Rights	1,372,348				157,237						1,529,585
Water Rights Adj	819,041										819,041
Engineering	29,091		292,716			695,110			51,022		1,067,939
Water Management	76,313					101,796	600,733				778,842
Water Well Cont								36,825			36,825
Dam Safety	18,102						132,814				150,916
Budget Mods	47,374		13,173		945	189,751	74,047				325,290
Budget Reduction	(129,479)										(129,479)
Pay Plan	211,340		15,430		6,805	66,681	61,864	2,165	3,820		368,105
TOTAL	\$2,597,756	\$0	\$321,319	\$0	\$164,987	\$1,127,219	\$869,458	\$38,990	\$54,842	\$0	\$5,174,571

RESERVED WATER RIGHTS COMPACT COMMISSION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	12.00	12.00		12.00	12.00	12.00		12.00
Personal Services	356,824	330,055	25,690	355,745	356,107	356,107	41,945	398,052
Operating Expenses	68,634	68,634	0	68,634	69,935	69,935	0	69,935
Equipment	6,710	6,710	0	6,710	4,671	4,671	0	4,671
Debt Service	24,715	24,715	0	24,715	24,715	24,715	0	24,715
Total Costs	\$456,883	\$430,114	\$25,690	\$455,804	\$455,428	\$455,428	\$41,945	\$497,373
Fund Sources								
General Fund	154,665	127,896	9,807	137,703	154,055	154,055	16,081	170,136
State Revenue Fund	302,218	302,218	15,883	318,101	301,373	301,373	25,864	327,237
Total Funds	\$456,883	\$430,114	\$25,690	\$455,804	\$455,428	\$455,428	\$41,945	\$497,373

Program Description

The Reserved Water Rights Compact Commission, which was created by the legislature in 1979 as part of the water rights adjudication effort, is provided for in Section 2-15-212, MCA. The purpose of the commission is to negotiate water rights with Indian tribes and federal agencies, with the intent to establish a formal agreement (compact) on the amount of water to be allocated to each interest. To date, the commission has concluded one compact with the Fort Peck tribe in 1985. The commission is statutorily attached to the Governor's office but is served by a staff attached to DNRC. Three programs are administered by the commission staff: 1) Information Services; 2) Commission Negotiations; and 3) Administrative Support.

Special Session Action

As shown in the Special Session Action table at the agency level, the legislature approved a fiscal 1992 general fund budget reduction of \$26,769 in this program.

RESERVED WATER RIGHTS COMPACT COMMISSION

Budget as Approved by the Regular 1991 Legislative Session

FTE increases by 1.0 due to continuation of a position added in fiscal 1991 by the 1989 legislature.

Personal services increase by 60.5 percent due to: 1) significant vacancy savings in fiscal 1990 due to staff turnover and delays in hiring new staff; 2) the budget modifications, which add \$22,719 in fiscal 1992 and \$22,657 in fiscal 1993; 3) the additional FTE, which adds \$27,852 in fiscal 1992 and \$27,787 in fiscal 1993; and 4) continuation of the fiscal 1991 pay plan in the 1993 biennium. These increases are partially offset by the 4 percent vacancy savings for the 1993 biennium, which reduces personal services by \$13,921 in fiscal 1992 and \$13,894 in fiscal 1993.

Operating expenses increase by 49.6 percent due to: 1) the addition of \$18,000 each year for contracted services to hire legal counsel for final negotiations with tribes; and 2) an increase in computer maintenance contract costs, which adds \$4,998 in fiscal 1992 and \$7,037 in fiscal 1993.

Equipment includes office and computer equipment.

Debt service includes the commission's share of the department's DEC system and \$23,336 per year to purchase a specialized computer system through a three-year lease/purchase agreement. The 1989 legislature appropriated \$20,000 per year to lease/purchase a computer system, but the commission did not expend any funds due to anticipated changes in technology.

Funding

In the 1991 regular session, the Reserved Water Rights Compact Commission was funded 35 percent by general fund and 65 percent from the RIT reclamation and development state special revenue account. The budget modifications were funded separately, as shown in the budget modification table at the agency level.

A fiscal 1992 general fund budget reduction of \$26,769 was approved during the January 1992 special session. However, the addition of the pay plan allocation resulted in: 1) a net general fund reduction of \$16,962 in fiscal 1992; 2) \$15,883 additional state special revenue in fiscal 1992; and 3) an additional \$16,081 general fund and \$25,864 state special revenue in fiscal 1993.

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Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	40.00	40.00		40.00	40.00	40.00		40.00
Personal Services	1,156,086	1,134,151	80,119	1,214,270	1,155,120	1,151,665	129,904	1,281,569
Operating Expenses	1,873,161	1,873,161	0	1,873,161	1,584,564	1,584,564	0	1,584,564
Equipment	10,469	10,469	0	10,469	11,854	11,854	0	11,854
Grants	332,500	332,500	0	332,500	421,500	421,500	0	421,500
Debt Service	5,096	5,096	0	5,096	5,096	5,096	0	5,096
Total Costs	\$3,377,312	\$3,355,377	\$80,119	\$3,435,496	\$3,178,134	\$3,174,679	\$129,904	\$3,304,583
Fund Sources								
General Fund	496,736	454,801	27,450	482,251	498,322	454,867	44,864	499,731
State Revenue Fund	1,679,875	1,699,875	8,489	1,708,364	1,250,037	1,290,037	13,726	1,303,763
Federal Revenue Fund	1,200,701	1,200,701	44,180	1,244,881	1,429,775	1,429,775	71,314	1,501,089
Total Funds	\$3,377,312	\$3,355,377	\$80,119	\$3,435,496	\$3,178,134	\$3,174,679	\$129,904	\$3,304,583

Program Description

The Energy Division consists of three bureaus: 1) the Facility Siting Bureau, which designs and conducts environmental impact and monitoring studies and performs analyses of energy projects under either the Major Facility Siting Act (MFSA) or the Montana Environmental Policy Act (MEPA). The bureau also conducts impact assessment and research studies when its environmental expertise is requested by the ENRC, other bureaus, divisions, or state or federal agencies; 2) the Planning and Analysis Bureau, which identifies and evaluates energy issues that could significantly affect Montana and formulates recommendations for Montana officials. The bureau also represents the state on various technical and policy groups; and 3) the Conservation and Renewable Energy Bureau, which works to encourage energy conservation and reduce the state's dependence on fossil fuels through the promotion of competitively priced renewable resources.

Special Session Action

As indicated in the Special Session Action section at the agency level, the legislature made the following changes to the Energy Division's budget during the 1992 special session: 1) reduced general fund personal service expenditures by \$21,935 in fiscal 1992

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and \$3,455 in fiscal 1993; and 2) approved using fee income to replace \$20,000 of general fund in fiscal 1992 and \$40,000 of general fund in fiscal 1993.

Language

"[Rock Creek Mitigation--\$400,000] is a biennial appropriation. The department is appropriated up to \$700,000 from the Rock Creek Mitigation special revenue account in addition to the \$400,000 biennial appropriation. The total appropriation for [Rock Creek Mitigation] may not exceed \$1,100,000 over the biennium."

"[Lake Broadview] is a \$30,000 biennial appropriation."

"In spending eligible federal energy funds appropriated in [Energy Division], the department shall give priority to developing a self-sustaining program for retrofitting school buildings with energy conservation measures that is similar to the State Building Energy Conservation program established in Title 90, Chapter 4, Part 6, for state buildings. The department shall submit to the 53rd legislature proposed legislation necessary to implement the school building energy conservation program."

Budget as Approved by the Regular 1991 Legislative Session

The division's budget increases 57.0 percent due primarily to major facility siting and Rock Creek mitigation activities.

The Major Facility Siting Bureau prepares environmental impact statements (EIS) and assessments (EIA) whenever such analysis and review is required by either the Major Facility Siting Act (MFSa) or the Montana Environmental Policy Act (MEPA). These activities are supported by filing fees collected from permit or certification applicants. The 1989 legislature appropriated \$1,005,300 for siting activities. In fiscal 1990, the department expended a total of \$176,374 in personal services, \$91,568 in operating expenses, and \$268 in equipment. Because the funding needed to accomplish major facility siting activities is not known in advance, the legislature appropriated a lump sum of \$996,335 in contracted services each year to cover all potential costs, with the understanding that some will be used for personal services.

As part of the settlement agreement between the Bonneville Power Administration (BPA) and the Rock Creek Advisory Council, a trust fund was established to support activities that lessen the impact to Rock Creek from the BPA powerline through the area. The 1989 legislature appropriated \$1,650,000 for this purpose, and the Advisory Council expended \$5,080 in personal services, \$13,013 in operating expenses, \$10,769 in equipment, \$13,500 in grants, and \$443,741 to purchase land. As with major facility siting, the amount necessary is unknown in advance. In response, the legislature appropriated a lump sum in contracted services of \$400,000 over the biennium to cover all potential costs. Language has been included that allows the Rock Creek Advisory Council additional siting authority up to \$1.1 million over the biennium if necessary.

Personal services increase 7.5 percent primarily due to: 1) vacancy savings in fiscal 1990; 2) the Pay Exception budget modification, which adds \$11,499 in fiscal 1992 and \$11,159 in fiscal 1993; and 3) continuation of the fiscal 1991 pay plan in the 1993 biennium.

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These increases are partially offset by: 1) the elimination of Rock Creek and facility siting personal services expenditures; and 2) vacancy savings for the 1993 biennium, which reduce personal services by \$47,691 in fiscal 1992 and \$47,665 in fiscal 1993.

In addition to the increases for Rock Creek and facility siting activities, operating expenses increase as a result of: 1) a \$30,000 biennial appropriation for Lake Broadview mitigation activities; 2) inclusion of \$72,500 each year for Montana Power Company (MPC)/Western Area Power Administration (WAPA) Builder Training programs; and 3) the energy conservation budget modification discussed below, which adds \$29,500 in fiscal 1992 and \$168,000 in fiscal 1993.

Equipment includes computer debt service and computer equipment and software.

Capital outlay in fiscal 1990 was used to purchase land for Rock Creek mitigation activities.

Grants include: 1) institutional conservation program grants of \$200,000 each year to schools, hospitals, and local governments to retrofit existing buildings for energy conservation; 2) bioenergy program grants of \$25,000 per year to commercial, industrial, and public sector groups to promote the use of biomass energy; 3) residential construction and demonstration grants of \$30,000 per year, which are used to fund energy-efficient, electrically-heated home construction in the BPA service area; and 4) \$77,500 in fiscal 1992 and \$166,500 in fiscal 1993 for the Energy Conservation budget modification discussed below.

Debt service decreases by 16.5 percent because a portion of the division's DEC costs are included in the equipment category in the 1993 biennium. The remaining DEC costs are included in debt service.

Funding

The Energy Division is funded with a mixture of general fund, state special revenue, and federal funds from the Department of Energy, Bonneville Power Administration, and oil overcharge funds. The following table shows the funding breakdown for this division.

Since the personal services budget reduction implemented during the 1992 special session will be realized through vacancy savings, it is presented as a separate entry on the table below.

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Table 5
Energy Division Funding

Fund Source	Fiscal 1992				
	Admin	Planning/ Analysis	Major Facility Siting	Conservation	Budget Mods
General Fund	\$124,429	\$202,682	\$139,276		\$10,349
State Special					
Rock Creek			398,477		
Major Facility		16,181	1,021,893		1,150
Alt Energy				171,101	
Lake Broadview			29,886		
Montana Power				61,187	
Federal Funds	14,515				
Energy/FSD		28,989		614,636	107,000
Oil Overcharge				435,561	
TOTAL	\$138,944	\$247,852	\$1,589,532	\$1,282,485	\$118,499
					\$80,119
					(\$21,935)
					\$3,435,496

Fund Source	Fiscal 1993				
	Admin	Planning/ Analysis	Major Facility Siting	Conservation	Budget Mods
General Fund	\$124,457	\$204,324	\$119,499		\$10,042
State Special					
Rock Creek					
Major Facility		16,149	1,040,483		1,117
Alt Energy				171,098	
Lake Broadview				61,190	
Montana Power					
Federal Funds	14,515				
Energy/FSD		28,930		650,449	334,500
Oil Overcharge				401,381	
TOTAL	\$138,972	\$249,403	\$1,159,982	\$1,284,118	\$345,659
					\$129,904
					(\$3,455)
					\$3,304,583

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Additional oil overcharge funds that may be received in the 1993 biennium are appropriated in HB 10. The oil overcharge funds included in the appropriation are the unspent balance of prior oil overcharge allocations.

The alternative energy development funds are used as match for administrative expenses of the ICP and Bioenergy program and also to fund the pay plan. The alternative energy account used to receive coal severance tax revenue, but that allocation was eliminated by House Bill 526 in the 1989 session. The remaining revenue to this account is interest and loan paybacks.

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Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	99.04	99.04		99.04	99.09	99.09		99.09
Personal Services	2,680,424	2,660,668	188,067	2,848,735	2,682,388	2,662,439	301,679	2,964,118
Operating Expenses	1,536,799	1,456,625	0	1,456,625	1,564,787	1,495,102	0	1,495,102
Equipment	217,035	217,035	0	217,035	137,058	137,058	0	137,058
Grants	2,244,630	2,244,630	0	2,244,630	2,247,512	2,247,512	0	2,247,512
Total Costs	\$6,678,888	\$6,578,958	\$188,067	\$6,767,025	\$6,631,745	\$6,542,111	\$301,679	\$6,843,790
Fund Sources								
General Fund	1,191,796	1,091,866	57,321	1,149,187	1,033,252	943,618	87,167	1,030,785
State Revenue Fund	4,748,216	4,748,216	100,965	4,849,181	4,857,878	4,857,878	166,539	5,024,417
Federal Revenue Fund	442,633	442,633	13,886	456,519	443,341	443,341	22,824	466,165
Proprietary Fund	11,198	11,198	0	11,198	11,251	11,251	0	11,251
Expendable Trust Fund	285,045	285,045	15,895	300,940	286,023	286,023	25,149	311,172
Total Funds	\$6,678,888	\$6,578,958	\$188,067	\$6,767,025	\$6,631,745	\$6,542,111	\$301,679	\$6,843,790

Agency Description

Article XII, Section 1 of the Montana Constitution requires the legislature to establish the Department of Agriculture. The department is organized into four divisions: Centralized Services, Agricultural and Biological Sciences, Plant Industry, and Agricultural Development. The department was established to encourage and promote the interests of agricultural and allied industries in Montana. It collects and publishes agricultural production and marketing statistics relating to agricultural products; assists, encourages, and promotes the organization of farmers' institutes, agricultural societies, fairs, and other exhibitions of agriculture; adopts standards for grade and other classifications of farm products; coordinates in devising and maintaining economical and efficient marketing distributions systems; gathers and distributes marketing information concerning supply, demand, price, and movement of farm products; and administers regulations pertaining to production and marketing of food and fiber products.

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Special Session Action

Description	Pgm	Executive Budget Proposal		Legislative Budget Action	
		Fiscal 1992	Fiscal 1993	Fiscal 1992	Fiscal 1993
		General Fund	Other Funds	General Fund	Other Funds
House Bill 2					
1 Operational Reductions	30	(\$80,174)	(\$69,685)	(\$80,174)	(\$69,685)
2 Vacancy Savings	50	(19,756)	(19,949)	(19,756)	(19,949)
Totals		(99,930)	(89,634)	(99,930)	(89,634)

1) Operational Reductions - The Executive Budget proposed and the legislature approved reductions in funding for retailer and homeowner pesticide education and analyses of groundwater samples in the pesticide and agricultural chemical groundwater programs.

2) Vacancy Savings - Senate Bill 3 extended the sunset of the Agricultural Assistance and Counseling program until July 1, 1993 and provided for 2.00 FTE. The Executive Budget proposed and the legislature approved the elimination of funding for 1.00 FTE in this program and the use of other staff to ensure federal matching requirements can be met.

Budget as Approved by the Regular 1991 Legislative Session

The increase of 8.71 FTE in fiscal 1992 and 8.76 in fiscal 1993 reflects the following changes: 1) 2.0 FTE each year from the budget modification in the Grain Laboratory Program; 2) 2.26 increase between fiscal 1990 and 1991 for program expansions in the Agricultural and Biological Sciences Division authorized by the 1989 legislature; 3) 3.12 FTE in fiscal 1992 and 3.5 FTE in fiscal 1993 for groundwater and pesticide budget modifications in the Agricultural and Biological Sciences Division; 4) 0.33 FTE added in the Plant Industry Division for fiscal 1992 from enactment of House Bill 66, which revises bee inspection procedures; and 5) a net increase of 1.0 FTE over fiscal 1990 from the enactment of Senate Bill 3, which extends the sunset of the Agricultural Assistance and Counseling Program to July 1, 1993.

The 15.5 percent increase in personal services reflects the budget modifications which add \$122,165 in fiscal 1992 and \$130,436 in fiscal 1993 and continuation of the fiscal 1991 pay plan increase in the 1993 biennium. Senate Bill 3 adds \$49,619 in fiscal 1992 and

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\$50,513 in fiscal 1993 to continue operation of the Agricultural Assistance and Counseling program. The legislature implemented a 4 percent across-the-board reduction in agency funding for personal services of \$111,686 in fiscal 1992 and \$111,766 in fiscal 1993.

Operating expenses increase 38.5 percent from: 1) budgeting expenses at fiscal 1991 appropriated levels, which adds \$61,436 in fiscal 1992 and \$54,468 in fiscal 1993; 2) a \$25,324 increase in fiscal 1992 and \$30,133 in fiscal 1993 in the Grain Laboratory's operational budget; 3) budget modifications which add \$185,557 in fiscal 1992 and \$212,763 in fiscal 1993; 4) a \$27,803 program expansion from fiscal 1990 to 1991 in the Agricultural and Biological Sciences Division authorized by the 1989 legislature; 5) \$14,000 per year in increased dues for the Wheat and Barley Committee; 6) a \$6,500 per year increase in the Alfalfa Seed Committee; and 7) \$112,037 in fiscal 1992 and \$111,360 in fiscal 1993 added by House Bill 66 and Senate Bill 3.

The increased equipment budget reflects the agency's request. In addition, budget modifications add \$103,978 in fiscal 1992 and \$46,250 in fiscal 1993.

Grants increase 24.9 percent due to increases of: 1) \$17,081 per year in vertebrate pests grants; 2) \$137,562 per year in noxious weed control grants; 3) \$371,453 per year in Wheat and Barley Committee grants; 4) \$2,600 per year in Agricultural Finance program grants; and 5) a decrease of \$81,064 in statutory appropriated grants and grants now classified as operating expenses, which no longer require appropriations.

Summary of Budget Modifications

	PGM	FTE	FY 1992-		FY 1993-	
			General Fund	Other Funds	General Fund	Other Funds
1) Grain Lab Increase	25	2.00		\$ 61,804	2.00	\$ 41,772
2) Pesticide Program Workload	30	1.18		57,086	1.25	58,962
3) Groundwater Program Workload	30	1.94		<u>292,810</u>	<u>2.25</u>	<u>288,715</u>
Totals		5.12		\$411,700	5.50	\$389,449

1) The Grain Lab Increase budget modification funds 2.0 FTE as grain inspectors for grain grading. These inspectors were added to meet an increase in demand for services from the grain industry and are funded with additional fee revenue generated.

2) The Pesticide Program Workload budget modification funds portions of a chemist and pesticide specialist positions to handle the growing number and complexity of pesticide investigations and to analyze the increased number of pesticide samples.

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3) The Groundwater Program Workload budget modification funds the remaining portions of the positions mentioned in modification #2 plus a groundwater specialist. In addition, the program's educational and preventive efforts will be expanded and specific management plans at several sites will be monitored.

Other Legislation

Bill No./Description	Fiscal 1992		Fiscal 1993	
	FTE	General Fund	FTE	General Fund
		Total Funds		Total Funds
HB 10 - Oil Overcharge *	0.00	\$0	0.00	\$0
* Biennial Appropriation		\$200,000		\$0

HB 10 - Oil Overcharge - The legislation provides appropriation from the stripper well payments to continue the collection and distribution of biological agents to control leafy spurge and spotted knapweed.

Funding

The 28.3 percent decrease in general fund between fiscal 1990 actual expenditures and fiscal 1992 is due to enactment of House Bill 964 and reductions by the 1992 special session. House Bill 964 increases pesticide registration fees and directs the deposits of revenue from pesticide registration fees, licenses, and other fees to a state special revenue account instead of the general fund. Budget modifications in the Agricultural and Biological Sciences Division are funded with fee increases contained in this legislation. State special revenue funding increases because of: 1) the funding change in the Agricultural and Biological Sciences Division contained in House Bill 964; 2) program increases and the budget modification in the Grain Laboratory program funded with grain service fees; 3) increased vertebrate and noxious weed control grants in the Agricultural and Biological Sciences Division; 4) increases due to enactment of Senate Bill 3 and House Bill 66; and 5) increased Wheat and Barley Committee grants funded with wheat and barley sales tax revenue. Increased federal revenue reflects larger Environmental Protection Agency's grants that fund pesticide related programs in the Agricultural and Biological Sciences Division. Part of this increase is a \$69,000 grant used to fund a portion of the groundwater budget modification. Expendable trusts fund the Agricultural Finance and Hail Insurance programs.

CENTRALIZED SERVICES DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	10.00	10.00		10.00	10.00	10.00		10.00
Personal Services	\$340,219	\$340,219	\$19,282	\$359,501	\$340,349	\$340,349	\$31,171	371,520
Operating Expenses	103,589	103,589	0	103,589	77,368	77,368	0	77,368
Equipment	4,940	4,940	0	4,940	5,475	5,475	0	5,475
Total Costs	\$448,748	\$448,748	\$19,282	\$468,030	\$423,192	\$423,192	\$31,171	\$454,363
Fund Sources								
General Fund	202,644	202,644	8,126	210,770	177,241	177,241	13,215	190,456
State Revenue Fund	188,091	188,091	8,472	196,563	188,060	188,060	13,642	201,702
Federal Revenue Fund	24,504	24,504	1,134	25,638	24,448	24,448	1,822	26,270
Expendable Trust Fund	33,509	33,509	1,550	35,059	33,443	33,443	2,492	35,935
Total Funds	\$448,748	\$448,748	\$19,282	\$468,030	\$423,192	\$423,192	\$31,171	\$454,363

Program Description

The Centralized Services Division performs technical, fiscal, and administrative support functions of the department's internal operations and related programs. Responsibilities include accounting, budgeting, payroll, personnel, purchasing, property control, data processing, systems analysis and computer programming, equal opportunity administration, and legal support to all programs within the department. Included in this division is the director's office, which provides overall policy development for the department. Attached as a unit to the director's office is the State Grain Laboratory, which was recently transferred from the Plant Industry Division.

Budget as Approved by the Regular 1991 Legislative Session

Personal services are 13.2 percent higher than fiscal 1990 actual expenditures due to vacancy savings in fiscal 1990 and the fiscal 1991 pay plan increase continuing in the 1993 biennium. In addition, expendable trust expenditures of \$30,528 are not included in fiscal 1990. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$14,176 in fiscal 1992 and \$14,181 in fiscal 1993.

CENTRALIZED SERVICES DIVISION

Operating expenses, which are funded at the fiscal 1991 appropriated level, account for an increase of \$1,606 in fiscal 1992 and \$2,118 in fiscal 1993. Audit costs of \$26,733 are budgeted in fiscal 1992 as a biennial appropriation.

Equipment, which was approved at the agency's request, includes a facsimile machine, three computers, two printers, software, and office furniture.

Funding

This program is funded by assessments on revenue sources which support the department's programs. The percentage rates of 19.24 for fiscal 1992 and 19.28 for fiscal 1993 are applied against the personal services of each program and charged to each account. These percentages are determined by the ratio of the central services budget to the sum of the agency's total personal services and 2.5 percent of grants. Hail and rural development expendable trust accounts are included in these assessments in accordance with a 1989 amendment that requires temporary appropriations for expenditure of administrative costs from expendable trusts. The appropriation from the expendable trusts are listed under "other" in the appropriations bill. The legislature specifically directed the assessment against the anhydrous ammonia account but excluded the alfalfa seed account from the assessment. Departmental personal services funded from the federal account are assessed a rate of 19.56 percent, which is consistent with prior fiscal year rates. Also included in this program's funding is a rate of 2.5 percent assessment on grants administered by the department. General fund finances the balance of the program's budget above the assessments. The legislature considered but did not approve an Executive Budget modification which would replace general fund with assessments on the pesticide management account created by House Bill 964. Therefore, general fund support of the Central Services Division remains the same even with the enactment of House Bill 964.

STATE GRAIN LABORATORY

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	15.50	15.50		15.50	15.50	15.50		15.50
Personal Services	394,793	394,793	28,099	422,892	394,985	394,985	44,267	439,252
Operating Expenses	86,187	86,187	0	86,187	90,996	90,996	0	90,996
Equipment	39,500	39,500	0	39,500	16,000	16,000	0	16,000
Total Costs	\$520,480	\$520,480	\$28,099	\$548,579	\$501,981	\$501,981	\$44,267	\$546,248
Fund Sources								
State Revenue Fund	520,480	520,480	28,099	548,579	501,981	501,981	44,267	546,248
Total Funds	\$520,480	\$520,480	\$28,099	\$548,579	\$501,981	\$501,981	\$44,267	\$546,248

Program Description

The State Grain Laboratory program, a newly-created program transferred from the Plant Industry Division, provides grades, protein determinations, malting barley germinations, and falling number tests for contract settlement prices between buyers and sellers of grain crops in Montana.

Budget as Approved by the Regular 1991 Legislative Session

In fiscal 1990, a department reorganization transferred the grain laboratory function from the Plant Industry Division and created the Grain Laboratory program. The 1989 legislature authorized 11.0 FTE for this program when it was part of the Plant Industry Division. With the reorganization, 12.0 FTE were transferred. Personal services expenditures in fiscal 1990 reflect \$75,697 of hourly wages used to fund 1.5 modified FTE. The legislature approved the transfer of 1.5 FTE from other departmental programs in lieu of the hourly wages to assist with the increased workload. In addition, the budget modification adds 2.0 FTE and \$41,804 in fiscal 1992 and \$41,772 in fiscal 1993. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$16,450 in fiscal 1992 and \$16,457 in fiscal 1993.

The legislature increased operating expenses by 41.6 percent from fiscal 1990 actual expenditures to fund an increased workload.

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Equipment, which was approved at the agency's request, includes eight computers, two printers, two dockage testers, three scales and other laboratory and office equipment. In addition, the budget modification adds \$20,000 in fiscal 1992 for purchase of laboratory equipment to determine percentage of oil content in canola, flaxseed, sunflower seed, rapeseed, and safflower seed.

Funding

The program is funded entirely with grain service fees charged to grain producers and the grain industry for providing grading, protein, dockage, and falling number tests on a variety of major grains and specialty crops. In response to a legislative audit, protein and official sample fees were reduced in fiscal 1991.

AGRICULTURAL AND BIOLOGICAL SCIENCES DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	33.54	33.54		33.54	33.92	33.92		33.92
Personal Services	916,945	916,945		983,245	924,970	924,970	107,986	1,032,956
Operating Expenses	464,192	384,018	66,300	384,018	508,266	438,581	0	438,581
Equipment	152,000	152,000	0	152,000	95,028	95,028	0	95,028
Grants	<u>1,242,694</u>	<u>1,242,694</u>	<u>0</u>	<u>1,242,694</u>	<u>1,245,576</u>	<u>1,245,576</u>	<u>0</u>	<u>1,245,576</u>
Total Costs	\$2,775,831	\$2,695,657	\$66,300	\$2,761,957	\$2,773,840	\$2,704,155	\$107,986	\$2,812,141
Fund Sources								
General Fund	304,796	224,622	12,581	237,203	181,644	111,959	16,064	128,023
State Revenue Fund	2,144,746	2,144,746	42,768	2,187,514	2,265,983	2,265,983	73,836	2,339,819
Federal Revenue Fund	<u>326,289</u>	<u>326,289</u>	<u>10,951</u>	<u>337,240</u>	<u>326,213</u>	<u>326,213</u>	<u>18,086</u>	<u>344,299</u>
Total Funds	\$2,775,831	\$2,695,657	\$66,300	\$2,761,957	\$2,773,840	\$2,704,155	\$107,986	\$2,812,141

Program Description

The Agricultural and Biological Sciences Division administers, manages, coordinates, and evaluates the major activities of: 1) pesticide and pest management; 2) analytical laboratory services; 3) weed management (transferred from the Agricultural Development Program); 4) agricultural chemical groundwater management; and 5) vertebrate pest management. This program administers the Montana Pesticides Act, Agricultural Chemical Groundwater Protection Act, Crop Insect Detection Act, Vertebrate Pest Management Act, Noxious Weed Trust Fund Act, elements of the Weed Assistance Act, and the department's Chemical Analytical Laboratory.

Special Session Action

The 1992 special session reduced the general fund appropriation for this program by 26.3 percent in fiscal 1992 and 38.4 percent in fiscal 1993. Refer to the Special Session Action table and narrative located at the agency level.

Language

"[Pesticide Program Workload] contains \$57,086 in fiscal 1992 and \$58,962 for an increase in the pesticide program. [Ground Water Program Workload] contains \$292,810 in fiscal 1992 and \$288,715 in fiscal 1993 for an increase in the ground water program."

AGRICULTURAL AND BIOLOGICAL SCIENCES DIVISION

Budget as Approved by the Regular 1991 Legislative Session

The 7.3 FTE increase and 28.8 percent personal services increase are due to: 1) vacancy savings experienced in fiscal 1990; 2) continuation of the fiscal 1991 pay plan in the 1993 biennium; 3) the increase of 1.92 FTE due to transfer of the Noxious Weed Control program from the Agricultural Development Division in fiscal 1991; 4) a 2.26 FTE increase between fiscal 1990 and 1991 for program expansions authorized by the 1989 legislature; 5) \$8,797 in fiscal 1992 and \$8,789 in fiscal 1993 to fund upgrades for Pesticide Specialists; and 6) 3.12 FTE and \$80,361 in fiscal 1992, and 3.5 FTE and \$92,358 in fiscal 1993 associated with the two pesticide modifications. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$38,207 in fiscal 1992 and \$38,541 in fiscal 1993.

The 86.8 percent increase in operating expenses reflects: 1) a \$27,803 program expansion from fiscal 1990 to 1991 in the groundwater program as authorized by the 1989 legislature; 2) \$10,301 in fiscal 1992 and \$7,492 in fiscal 1993 in operating expenses funded at fiscal 1991 appropriated levels; and 3) budget modifications for \$185,557 in fiscal 1991 and \$212,763 in fiscal 1993.

Equipment, which reflects the agency's request, includes \$51,700 in fiscal 1992 and \$45,300 in fiscal 1993 for laboratory equipment to purchase a Varian data system to generate pesticide chromatograms, a high pressure liquid chromatograph system, and various other analytical devices. Budget modifications add \$83,978 in fiscal 1992 and \$46,250 in fiscal 1993.

Increased grant appropriations are from a \$17,081 per year increase in vertebrate pests grants and a \$137,562 increase in noxious weed control grants. The 1989 legislature increased the weed vehicle fee from \$.50 to \$1.50, making additional revenue available for grants.

Funding

House Bill 964 raises pesticide registration fees from \$90 per product to \$150. The portion of the fee used to fund the pesticide program decreases from \$75 to \$70 and the portion used to fund the groundwater program increases from \$15 to \$80. The legislation also creates a state special revenue pesticide management account which will receive licensing, permit, registration fees, and investment income. Previously, these funds (approximately \$520,000 per year) were deposited into the general fund. These state special revenue funds are used to fund the budget modifications and a portion of the existing groundwater and pesticide programs. Federal funds received from the Environmental Protection Agency (EPA) to fund pesticide related programs are expected to increase in the 1993 biennium. A federal EPA grant of \$69,000 is used to fund a portion of the groundwater modification.

The program's largest funding source is state special revenue collected from noxious weed vehicle registration fees, herbicide surcharges, commercial feed and fertilizer registration and inspection fees, and pesticide registration fees. The decrease in general fund reflects the funding change of these revenue sources that are no longer deposited in the general fund and reductions by the 1992 special session. Under previous law, approximately \$520,000 per year from the pesticide registration fees were deposited in the general fund. General fund support of this program is \$125,792 greater in fiscal 1992 because revenue from the fees is not received until mid-fiscal 1992.

PLANT INDUSTRY DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	17.29	17.29		17.29	16.96	16.96		16.96
Personal Services	458,336	458,336	31,279	489,615	453,118	453,118	49,272	502,390
Operating Expenses	140,528	140,528	0	140,528	142,694	142,694	0	142,694
Equipment	14,255	14,255	0	14,255	14,255	14,255	0	14,255
Total Costs	\$613,119	\$613,119	\$31,279	\$644,398	\$610,067	\$610,067	\$49,272	\$659,339
<u>Fund Sources</u>								
General Fund	448,926	448,926	25,098	474,024	443,564	443,564	39,331	482,895
State Revenue Fund	143,851	143,851	6,181	150,032	146,063	146,063	9,941	156,004
Federal Revenue Fund	9,144	9,144	0	9,144	9,189	9,189	0	9,189
Proprietary Fund	11,198	11,198	0	11,198	11,251	11,251	0	11,251
Total Funds	\$613,119	\$613,119	\$31,279	\$644,398	\$610,067	\$610,067	\$49,272	\$659,339

Program Description

The Plant Industry Division administers agricultural programs relating to the production, manufacturing, and marketing of commodities exported from or distributed in the state. The division provides services to industry by: 1) performing professional insect/disease surveys; 2) performing medicated feed mill inspections; 3) issuing official grade commodity certificates; 4) issuing dealer licenses/permits; 5) registering products; and 6) performing analytical analyses of bees, seeds, fertilizer, feed, and grains. Program staff provide technical/scientific information upon request to industry and the general public. Staff investigate and resolve consumer complaints ranging from product contamination and quality control to elevator bankruptcies and non-payment for products. The state grain laboratory was transferred from this program to a new State Grain Laboratory Program in fiscal 1991.

Budget as Approved by the Regular 1991 Legislative Session

The 12.8 decrease in FTE is from the: 1) transfer of 12.0 FTE to the Grain Laboratory program in fiscal 1991; 2) legislative approval of a transfer of an additional 1.13 FTE to the Grain Laboratory program; and 3) enactment of House Bill 66 which requires the addition of 0.33 FTE in fiscal 1992 for an agricultural inspector to qualify beekeepers for compliance agreements. Although the fiscal 1990 actual FTE reflect the presence of grain lab personnel, the personal services expenditures include only those staff not transferred to the grain lab.

PLANT INDUSTRY DIVISION

The 8.5 percent increase in personal services is the result of vacancy savings experienced in fiscal 1990 and the fiscal 1991 pay plan increase which is continued into the 1993 biennium. Enactment of House Bill 66, which revises bee inspections and allows the department to charge an hourly inspection fee, added \$5,209 in personal services in fiscal 1992 only. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$19,097 in fiscal 1992 and \$18,800 in fiscal 1993.

Operating expenses, which are budgeted at fiscal 1991 appropriated levels, increase 30.3 percent. In addition, funding for House Bill 66 added \$2,197 in fiscal 1992 and \$1,520 in fiscal 1993.

Equipment, which was approved at the agency's request, includes a vehicle and a computer each year.

Funding

General fund finances the majority of this program. The 3.3 percent increase in general fund reflects funding at fiscal 1991 appropriated levels plus \$7,406 in fiscal 1992 and \$1,520 in fiscal 1993 for House Bill 66. Under House Bill 66, approximately \$23,400 of additional revenue from apiary inspection fees will be deposited in the general fund in the 1993 biennium.

State special revenues consist of commercial feed and fertilizer registration and inspection fees, mint assessments, wheat and barley sales taxes, and anhydrous ammonia inspection fees. Federal funds are from the market service account, which completely finances the medicated feed program. The proprietary funding is collected from alfalfa leaf cutter bee assessments.

AGRICULTURAL DEVELOPMENT

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	22.71	22.71		22.71	22.71	22.71		22.71
Personal Services	570,131	550,375	43,107	593,482	568,966	549,017	68,983	618,000
Operating Expenses	742,303	742,303	0	742,303	745,463	745,463	0	745,463
Equipment	6,340	6,340	0	6,340	6,300	6,300	0	6,300
Grants	1,001,936	1,001,936	0	1,001,936	1,001,936	1,001,936	0	1,001,936
Total Costs	\$2,320,710	\$2,300,954	\$43,107	\$2,344,061	\$2,322,665	\$2,302,716	\$68,983	\$2,371,699
<u>Fund Sources</u>								
General Fund	235,430	215,674	11,516	227,190	230,803	210,854	18,557	229,411
State Revenue Fund	1,751,048	1,751,048	15,445	1,766,493	1,755,791	1,755,791	24,853	1,780,644
Federal Revenue Fund	82,696	82,696	1,801	84,497	83,491	83,491	2,916	86,407
Expendable Trust Fund	251,536	251,536	14,345	265,881	252,580	252,580	22,657	275,237
Total Funds	\$2,320,710	\$2,300,954	\$43,107	\$2,344,061	\$2,322,665	\$2,302,716	\$68,983	\$2,371,699

Program Description

The Agriculture Development Division administers programs to promote Montana agriculture through market development and enhancement. Assistance is given toward commercialization of traditional as well as innovative agricultural products and processes. The program provides support to the Alfalfa Seed Committee, the Montana Wheat and Barley Committee, and the Montana Agricultural Development Council. The division is comprised of the Marketing, Rural Development, and Wheat and Barley Bureaus.

Special Session Action

The 1992 special session reduced the general fund appropriation for this program by 8.4 percent in fiscal 1992 and 8.6 percent in fiscal 1993. Refer to the Special Session Action table and narrative located at the agency level.

AGRICULTURAL DEVELOPMENT

Language

"The department is authorized to make grants to state agencies from the Growth Through Agriculture account as approved by the Montana Agriculture Development Council in accordance with title 90, chapter 9, MCA. The state agency that receives a grant from the Montana Agriculture Development Council is authorized additional appropriation authority equal to the grant amount".

"The department shall report to the legislative finance committee during fiscal 1992 on the feasibility of the department selling its portfolio of rural assistance program loans to the board of investments, thus enabling it to increase its loan capability."

Budget as Approved by the Regular 1991 Legislative Session

The 1.29 decrease in FTE is the net result of: 1) transfer of 1.92 FTE from the noxious weed program to the Agricultural and Biological Sciences Division in fiscal 1990; 2) 1.0 FTE net increase from the enactment of Senate Bill 3, which extends the Agricultural Assistance and Counseling program; and 3) transfer of 0.37 FTE to the Grain Laboratory program. The scheduled sunset of the Agricultural Assistance and Counseling program on July 1, 1991 would have decreased FTE by 1.0. The legislature approved the addition of 2.0 FTE and \$49,554 in fiscal 1992 and \$50,513 in fiscal 1993 for the program. Personal services reflect per diem and overtime budgeted at fiscal 1991 appropriated levels. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$23,756 in fiscal 1992 and \$23,707 in fiscal 1993.

The 20.4 percent increase in operating expenses is due to: 1) \$14,000 increase in dues for new membership in the Barley Foods Council and increased participation to ensure a seat on the board of the Wheat Foods Council; 2) \$109,840 per year from Senate Bill 3; 3) \$6,500 per year in consulting services for the Alfalfa Seed Committee; and 4) approval of fiscal 1991 appropriated level as a base for operating expenses.

Equipment reflects the agency's request (two computers, office equipment, and software) in addition to \$3,000 per year for the Agricultural Assistance and Counseling program.

Grants increase 41.3 percent over fiscal 1990 due to: 1) a decrease of \$17,132 of Young Agricultural Couples Conference expenses now classified as operating expenses; 2) exclusion of \$63,932 of grants by the Agriculture Development Council which were appropriated by the 1989 legislature but not by the 1991 legislature because they are statutorily appropriated by Section 90-9-306, MCA; 3) an increase of \$371,453 per year of grants by the Wheat and Barley Committee; and 4) \$2,600 per year for grants in the Agricultural Finance program.

Funding

The program is funded mostly with special state revenue consisting of wheat and barley sales taxes, a portion of coal severance tax collections, and alfalfa seed assessments. The following table details the program funding contained in House Bill 2.

AGRICULTURAL DEVELOPMENT

Table 1
Agricultural Development Program Funding
House Bill 2

Fiscal 1992	Admin.	Ag. Assist. & Counseling	Alfalfa Seed	Ag. Finance	Hail Ins.	Ag. Marketing	Ag. Stats.	Ag. Devl. Council	Wheat & Barley	Total Funds
General Fund	\$52,577	\$46,419	\$0	\$0	\$0	\$47,357	\$69,321	\$0	\$0	\$215,674
State Special										
Wheat & Barley Research	0	0	0	0	0	3,603	30,783	0	1,556,558	1,590,944
Ag. in Montana Schools	8,238	0	0	0	0	0	0	0	0	8,238
Counseling and Mediation	0	25,186	0	0	0	0	0	0	0	25,186
Growth Through Ag.	0	0	0	0	0	0	0	98,297	0	98,297
Alfalfa Seed	0	0	28,383	0	0	0	0	0	0	28,383
Ag. Donations	0	0	0	0	0	0	0	0	0	0
Federal Funds										
Marketing Service	0	71,074	0	0	0	0	11,622	0	0	82,696
Expendable Trusts										
Hail Insurance	0	0	0	0	172,660	0	0	0	0	172,660
Rural Development	0	0	0	78,876	0	0	0	0	0	78,876
Total Fiscal 1992 Funding	\$60,815	\$142,679	\$28,383	\$78,876	\$172,660	\$50,960	\$111,726	\$98,297	\$1,556,558	\$2,300,954
Fiscal 1993										
General Fund	\$52,888	\$46,446	\$0	\$0	\$0	\$47,451	\$64,069	\$0	\$0	\$210,854
State Special										
Wheat & Barley Research	0	0	0	0	0	3,603	30,780	0	1,556,460	1,590,843
Ag. in Montana Schools	8,238	0	0	0	0	0	0	0	0	8,238
Counseling and Mediation	0	25,192	0	0	0	0	0	0	0	25,192
Growth Through Ag.	0	0	0	0	0	0	0	98,216	0	98,216
Alfalfa Seed	0	0	28,460	0	0	0	0	0	0	28,460
Ag. Donations	0	0	0	0	0	0	4,842	0	0	4,842
Federal Funds										
Marketing Service	0	71,870	0	0	0	0	11,621	0	0	83,491
Expendable Trusts										
Hail Insurance	0	0	0	0	173,971	0	0	0	0	173,971
Rural Development	0	0	0	78,609	0	0	0	0	0	78,609
Total Fiscal 1993 Funding	\$61,126	\$143,508	\$28,460	\$78,609	\$173,971	\$51,054	\$111,312	\$98,216	\$1,556,460	\$2,302,716

AGRICULTURAL DEVELOPMENT

General fund finances part of the administration of the division as well as portions of the Agricultural Assistance and Counseling, Agricultural Statistics and Agricultural Marketing programs. A general fund increase of \$66,175 in fiscal 1992 and \$66,395 in fiscal 1993 was added to fund a portion of Senate Bill 3. This amount was reduced by the 1992 special session to \$46,419 in fiscal 1992 and \$46,446 in fiscal 1993. The federal funds are from the market services account which funds 10 percent of the Agricultural Statistics program. The expendable trust funds, which finance the Hail Insurance and Rural Development programs, include revenue from the hail insurance levy and interest earnings on rural development loans. The appropriations from these account are listed as "other" in House Bill 2.

DEPARTMENT OF COMMERCE

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	324.31	324.31		324.31	326.81	325.81		325.81
Personal Services	9,661,833	9,585,100		10,225,567	9,737,165	9,611,798		10,654,202
Operating Expenses	17,496,603	17,434,109	640,467	17,434,109	17,024,185	16,945,609	1,042,404	16,945,609
Equipment	607,347	607,347	0	607,347	161,563	140,210	0	140,210
Local Assistance	1,601,882	1,601,882	0	1,601,882	1,920,088	1,920,088	0	1,920,088
Grants	25,247,770	24,747,770	0	24,747,770	25,246,974	23,646,974	0	23,646,974
Transfers	146,113	140,113	0	140,113	145,949	139,949	0	139,949
Total Costs	\$54,761,548	\$54,116,321	\$640,467	\$54,756,788	\$54,235,924	\$52,404,628	\$1,042,404	\$53,447,032
Fund Sources								
General Fund	2,807,013	2,622,827	97,517	2,720,344	2,727,748	2,492,853	158,917	2,651,770
State Revenue Fund	14,327,786	13,866,745	186,250	14,052,995	14,364,585	12,768,184	300,268	13,068,452
Federal Revenue Fund	23,758,525	23,758,525	44,482	23,803,007	23,780,818	23,780,818	73,952	23,854,770
Proprietary Fund	13,868,224	13,868,224	312,218	14,180,442	13,362,773	13,362,773	509,267	13,872,040
Total Funds	\$54,761,548	\$54,116,321	\$640,467	\$54,756,788	\$54,235,924	\$52,404,628	\$1,042,404	\$53,447,032

Agency Description

The Department of Commerce, established in 1981 by combining the functions of several state agencies, is responsible for encouraging and promoting commerce-related activities in Montana through a wide spectrum of programs. These programs relate to four major areas: 1) economic development and promotion; 2) assistance to local governments; 3) public safety; and 4) assistance to individuals. In the first area, programs are designed to foster stable, diversified economic development by providing various types of assistance to businesses wishing to develop or expand within the state and internationally. Included are the Business Development Division, Pacific Rim Office, Montana Promotion Division, Montana Health Facility Authority, Board of Investments, Montana Science and Technology Alliance, and the Office of Research & Information Services. The local government assistance programs include the Local Government Assistance Division, Community Technical Assistance Program, Community Development Block Grant Program, Hard Rock Mining Board, Coal Board, Local Government Audit Program, and Local Government Systems Program. The public safety area includes programs responsible for activities related to public safety. Programs include Professional and Occupational Licensing, Milk Control, Weights and Measures, Building Codes, Financial Institutions Division, and the Board of Horse Racing. Assistance to individuals is provided through the Board of Housing, Consumer Affairs Unit, and Section 8 housing programs. The Montana Lottery and the Coordinator of Indian Affairs programs are also in the department.

The 1991 legislature transferred the Transportation and Aeronautics divisions to the newly created Department of Transportation (formerly Highways). Since the new department was not created until July 1, 1991, the 1991 regular and 1992 special session legislature provided appropriations for the affected departments and divisions under the former organizational structure, which is reflected in both versions of House Bill 2. In this report, however, the Transportation and Aeronautics divisions' (renamed Rail and Transit in the reorganization) appropriations are included in the Department of Transportation to reflect the new organizational structure.

DEPARTMENT OF COMMERCE

Special Session Action

		Executive Budget Proposal			Legislative Budget Action		
		=====			=====		
Description	Pgm	Fiscal 1992	Fiscal 1993	Fiscal 1992	Fiscal 1993	Fiscal 1992	Fiscal 1993
		General Fund	General Fund	General Fund	General Fund	Other Funds	Other Funds
House Bill 2							
1 Operational Reduction	02						
2 International Affairs	51						
3 Operational Reduction	51						
4 Fund Balance Transfer	60						
5 Personal Svc Reduction	60						
6 Treasury State Endowment	60						
7 Operational Reduction	61						
8 Operational Reduction	62						
9 Operational Reduction	63						
10 Operational Reduction	70						
11 Operational Reduction	73						
12 Vacancy Savings	73						
13 Budget Reduction	NA						
Sub-Totals							
Other Appropriation Bills							
14 HB 990 - L & C Intern Center	52						
15 HB 18 - Science & Tech Act.	73						
Sub-Totals							
Grand Totals							

1) Operational Reduction - The Weights & Measures Bureau will reduce personal services by \$4,000 in fiscal 1992 and \$2,500 in fiscal 1993. In fiscal 1993 they will also reduce the Equipment Replacement modification by \$9,353.

2) International Affairs - General fund support for the International Affairs Coordinator modification (\$38,959 in fiscal 1992 and \$38,962 in fiscal 1993) was eliminated and replaced with accommodations tax state special revenue funds. Language in House Bill 2 allows the department to use private or other funds to replace \$77,921 of the accommodations tax appropriation.

DEPARTMENT OF COMMERCE

- 3) Operational Reduction - The Business Development Division will eliminate the Certified Communities program. In fiscal 1992, personal services will be reduced by \$16,400 and operating expenses by \$17,700. Fiscal 1993 expenditures will be reduced by \$32,837 in personal services and \$21,576 in operating expenses. Language was added to House Bill 2 that authorizes the division to retain the 1.0 FTE associated with the Certified Communities program.
- 4) Fund Balance Transfer - The Coal Board's grant appropriation from the local impact account is reduced by \$500,000 in fiscal 1992 and \$1,600,000 in fiscal 1993. These funds will revert to the school equalization account at the end of the biennium, which reduces the general fund supplemental needed for that account. The legislature added language in House Bill 2 that directs the department to retain the \$2.1 million in the local impact account (along with the \$35,363 in fiscal 1993 realized from elimination of 1.0 FTE discussed in #5 below). Under section 90-6-212 (3), any unexpended balance in the local impact account reverts to the school equalization account at the end of the biennium.
- 5) Personal Service Reduction - The Coal Board's fiscal 1993 administrative appropriation was reduced by \$35,363, which reflects elimination of 1.0 FTE. The legislature added language to House Bill 2 directing the department to retain the \$35,363 (along with the \$2.1 million discussed in #4 above) in the local impact account until the end of the biennium, when it will revert to the school equalization account.
- 6) Treasure State Endowment - The Community Development Bureau's fiscal 1993 general fund appropriation was increased by \$35,000 to implement House Bill 19 (Treasure State Endowment), contingent upon electoral approval.
- 7) Operational Reduction - In fiscal 1992, the Office of Research & Information Systems will reduce operating expenses from the Automation of Census modification by \$5,000. In fiscal 1993, operating expenses in the modification will be reduced by \$15,000, while equipment purchases authorized in current level will be reduced by \$12,000.
- 8) Operational Reduction - Transfers in the Local Government Services - Audit program will be reduced by \$3,000 each year of the biennium. Transfer authority allows general fund (which supports costs that aren't billable to local governments) to be transferred to the proprietary account that is the primary support of this program.
- 9) Operational Reduction - Transfers in the Local Government Services - Systems program will be reduced by \$3,000 each year of the biennium. As mentioned above, transfer authority permits transfer of general fund to the proprietary account that provides the main support of this program.
- 10) Operational Reduction - The Indian Affairs Coordinator will reduce operating expenses by \$2,000 in both years of the biennium.
- 11) Operational Reduction - Operating expenses in the Montana Science and Technology program will be reduced by \$37,794 in fiscal 1992 and \$75,000 in fiscal 1993, which will be realized through major reductions in implementation of the Science Plan.
- 12) Vacancy Savings - Montana Science and Technology Alliance will reduce personal services by \$40,000 in fiscal 1992. These vacancy savings are possible because 2.0 FTE were left unfilled for six months in fiscal year 1992.

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13) Budget Reduction - The department will reduce general fund expenditures by \$16,333 in fiscal 1992 and \$54,667 in fiscal 1993, increasing the total reduction in general fund operations to 5 percent in fiscal 1992 and 8 percent in fiscal 1993.

14) Lewis & Clark Interpretive Center - The agency will reduce the \$700,000 biennial appropriation for the Lewis & Clark Interpretive Center by \$56,000 in fiscal 1992.

15) Science and Technology Account - During the 1993 biennium, the department will transfer all funds in excess of \$50,000 in the Science and Technology Alliance state special revenue account to the general fund. Following the January 1992 special session, \$19,000 was transferred to the general fund from this account.

Budget as Approved by the Regular 1991 Legislative Session

The agency's budget increases 19.3 percent or \$9.60 million in fiscal 1992. Approximately \$7.52 million of this increase in fiscal 1992 is the approved budget modifications. Due to enacted legislation (House Bill 864), the District Court function of the Local Government Systems - Services Program has been transferred to the Supreme Court Administrator. Therefore, FTE, actual fiscal 1990 expenditures, and legislative approved budgets for the District Court function are not reflected in the main or program tables.

Personal services show a net 13.1 FTE increase which reflects the addition of 18.1 FTE modified positions offset by elimination of 5.0 FTE. During the January 1992 special session, the legislature eliminated 1.0 FTE from the Coal Board in fiscal 1993. Personal services increase 15.3 percent because of the FTE increase, the continuation of the fiscal 1991 pay plan in the 1993 biennium, and vacancy savings in fiscal 1990. The legislature implemented a 4 percent across-the-board reduction in agency funding for personal services of \$431,217 in fiscal 1992 and \$434,378 in fiscal 1993. During the January 1992 special session, the legislature: 1) implemented budget reductions of \$16,333 in fiscal 1992 and \$54,667 in fiscal 1993 by decreasing personal services; and 2) reduced fiscal 1993 personal services by \$35,363 through elimination of 1.0 FTE from the Coal Board.

While operating expenses show a 5.7 percent decrease, this is misleading. In the Montana Promotions and Lottery programs, approximately \$5.5 million of operating expenses are statutorily appropriated and, thus, are not included in the 1993 biennium totals shown above. However, expenditures from these statutory appropriations are shown in the fiscal 1990 column. After adjustments are made for this, operating expenses increase 31.7 percent. Operating costs increase because of the budget modifications and because fiscal 1991 appropriations were adopted as the budget base, which are higher than fiscal 1990 actual expenditures.

Local assistance and grants reflect increases in anticipated federal funds.

Transfers show an 86.8 percent decrease, due to the one-time transfer of coal tax to the Department of Highways in fiscal 1990 for the Decker-Busby highway project.

DEPARTMENT OF COMMERCE

Summary of Budget Modifications

PGM	FTE	FY 1992--		FTE	FY 1993--		Other Funds
		General Fund	Other Funds		General Fund	Other Funds	
1 Equipment Replacement	02	\$59,386			\$15,000	\$4,450	
2 Bank Analysis Computers	36		\$27,773			223,327	
3 Miscellaneous POL Legislation	39	3.10	265,459	3.10		25,000	
4 Impairment Prog.-Dentists	39		25,000			35,000	
5 Business Development Division	51		35,000			159,609	
6 Defense Logistics Contract	51	4.00	159,599	4.00		169,926	
7 EDA/CDBG Revolving Fund	51	1.00	168,922	1.00		55,000	
8 Canadian Trade Office	51		55,000		14,741	53,544	
9 International Affairs Coord	51	1.00	53,540	1.00		100,000	
10 SEDC Expansion	51		75,000			39,385	
11 MT Capital Co Act - HB 901	51	1.00	42,385	1.00		1,352,234	
12 Montana Promotional Division	52		1,034,028		35,000		
13 Treasure St Endowment - HB 19	60		1,000,390			1,000,390	
14 Section 8 Grant Increase	61	1.00	58,061	1.00	37,266		
15 Automation of Census	62	1.50	143,137	2.50		144,859	
16 Single Audit Act - HB 328	62		10,000				
17 LGS Peer Review	62		191,424				
18 Vehicle Replacement	65	2.50	97,536	3.00		96,992	
19 EEO Grant: Indian Affairs	70						
20 R & D Loans - SB 242	73	1.00	50,000	1.00	50,000		
21 Additional FTE BOI/HFA Bond	75	1.00	21,658	1.00		21,609	
22 Investment Portfolio Managers	75	1.00	46,179	2.00		92,367	
23 Montana Lottery	77		3,466,783			3,275,782	
24 Lottery Vehicles	77					55,500	
Totals	18.10	\$182,263	\$6,918,813	20.60	\$152,007	\$6,904,974	

1) Equipment Replacement - This modification was originally \$24,353 of general fund in fiscal year 1993, to allow replacement of automobiles, trucks, field monitoring equipment, and the purchase of a computer in the Weights and Measures Bureau. During the 1992 special session, the legislature reduced the fiscal year 1993 appropriation by \$9,353.

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- 2) Bank Analysis Computers - This modification will allow the Financial Division to purchase computer equipment and software to enable them to use modern examination report formats.
- 3) Miscellaneous POL Legislation - This modification implements ten bills with fiscal impact to the Professional and Occupational Licensing Bureau (HB118, HB620, HB667, SB8, SB66, SB112, SB135, SB172, SB174 and SB307). With the enactment of Senate Bill 381, the Board of Midwifery (SB172) and the Board of Naturopaths (SB66) are combined into the Allied Health Care Board.
- 4) Impairment Program - Dentists - This modification will allow the Board of Dentists' continued participation in the Board of Medical Examiners Physician's Assistance program.
- 5) Business Development Division - This modification will allow the Business Development Division to issue an annual updated manufacturers guide and a Montana products directory. Revenues to fund this cost come from trade shows, training fees, sale of documents, private contributions, and fees for services.
- 6) Defense Logistics Contract - Federal funds received during the 1991 biennium for a Procurement Technical Assistance program for small businesses were approved through budget amendment. This continues the program in the 1993 biennium.
- 7) Economic Development Administration (EDA) and Community Development Block Grant (CDBG) Revolving Fund - This modification will allow EDA funds and CDBG funds to be used for a revolving loan program to small Montana businesses.
- 8) Canadian Trade Office - This modification allows the Business Development Division to fund a contract and operating expenses to establish a Canadian trade office to develop opportunities to market products in Canada. This program will be funded with state special revenue funds and general fund.
- 9) International Affairs Coordinator - The modification funds the International Affairs Coordinator who will support international projects and provide assistance in areas such as protocol and cultural exchanges. The 1991 legislature funded this modification with general fund and accommodations tax revenues. During the 1992 special session, the legislature eliminated the general fund support, replacing it with additional accommodations tax funds (\$77,921). Language was added to House Bill 2 authorizing the department to use private or other funds to replace the additional accommodations tax added during the special session.
- 10) Small Business Development Center (SEDC) Expansion - The Small Business Development Center has received additional federal funds to provide counseling, training, and information for small business owners primarily in the areas of financing, marketing, and business management.
- 11) Montana Capital Company Act - HB 901 - This modification provides a staff person to assist in the implementation of House Bill 901, which generally revises the Montana Capital Company Act.
- 12) Montana Promotional Division - This modification allows the continued expenditure of accommodations tax that was statutorily appropriated in fiscal 1990. This revenue will be used to promote tourism throughout the state.

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- 13) Treasure State Endowment - HB 19 - The Community Development Bureau's fiscal 1993 general fund appropriation was increased by \$35,000 during the January 1992 special session to implement House Bill 19. Language was added to House Bill 2 making the appropriation contingent upon electoral approval.
- 14) Section 8 Grant Increase - This modification will allow expenditure of increased federal funding from HUD for 125 rental units for the Certification program and 75 rental units for the Vouchers program.
- 15) Automation of Census - The federal Bureau of Census (BOC) information is provided to states on magnetic tapes. Only approximately 20 percent of this information is included in the BOC published information. The department will use this authority to make more of the census information available to Montana users. Originally, the legislature appropriated \$63,061 in fiscal 1992 and \$52,266 in fiscal 1993 to fund this modification in the Office of Research and Information Systems. However, the 1992 special session legislature reduced that appropriation by \$5,000 in fiscal 1992 and \$15,000 in fiscal 1993.
- 16) Single Audit Act - HB 328 - This modification is included in the Local Government Services - Audit program and implements House Bill 328, which generally revises the law relating to audits of local governments.
- 17) Local Government Services (LGS) Peer Review - This modification will provide the department with an external quality control review (peer review) of the program. Audit standards by the Comptroller General require this review every three years. This will be funded from the program's proprietary fund account.
- 18) Vehicle Replacement - This modified budget will be used to replace 17 vehicles in the Building Codes Bureau that have more than 100,000 miles each.
- 19) EEO Grant-Indian Affairs - This modified budget is for Department of Highways grant funds (received from the Federal Highway Administration) to be used to assist Native American firms involved with highway construction to assist and train them to compete for highway construction contracts.
- 20) R & D Loans - SB 242 - This modification provides funds to implement Senate Bill No. 242, which authorizes the Montana Science & Technology Alliance to lend \$5.1 million of in-state investment funds for research and development projects.
- 21) Additional FTE BOI/HFA - This modification will allow the Board of Investments to hire a bond program specialist to assist both the Investment Division and the Health Facilities Authority programs. Funding will be from the board's proprietary fund, with Health Facilities Authority funding part of the costs with contracted services/appropriations.
- 22) Investment Portfolio Managers - This modification allows the Investments Division to hire an additional 1.0 FTE Investment Portfolio Manager in fiscal 1992 and 2.0 FTE in fiscal 1993. Funding is from the division's proprietary fund account.
- 23) Montana Lottery - This modification will allow the Montana Lottery program to continue participation in the interstate lottery and expand the on-line lottery games implemented during fiscal 1990.

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24) Lottery Vehicles - This modification will allow the Lottery program to replace five vehicles. The vehicles, which are used by the field staff, have over 100,000 miles each.

Other Legislation

Bill No./Description	Fiscal 1992		Fiscal 1993	
	FTE	General Fund	General Fund	Total Funds
HB 19 - Treasure State Endowment				
HB 131 - Burial Site Protection Act*		\$10,000		
HB 477 - Microbusiness Devel. Act**		64,600		
HB 746 - Indian Monument and Flag*		6,000		
HB 953 - Cosmetology Inspections	1.00	37,583		
HB 990 - L & C Interpretive Center*		644,000		
HB 1010- Hard Rock Mining Reserve***		100,000		
Totals	1.00	\$724,600	\$35,000	\$71,997

* Biennial Appropriation

** Non-general funds of \$3,250,000 are a biennial appropriation.

*** Time period for the appropriation not specified.

HB 19 - Treasure State Endowment - During the January 1992 special session, the legislature submitted a referendum to the electorate to create the Treasure State Endowment program, which provides financing to local governments for infrastructure projects. The legislature appropriated \$35,000 of general fund in fiscal 1993 to the department to implement the program contingent upon electoral approval in June 1992.

HB 131 - Burial Site Protection Act - The legislature provided for a biennial appropriation to the newly created Burial Preservation Board to pay expenses for board meetings or expenses incurred in conducting field reviews. The legislation creates and statutorily appropriates funds from a state special revenue account into which are deposited fees, grants or donations. The legislation provides for a \$50 permit for scientific analysis of human skeletal remains or burial material from burial sites.

HB 477 - Microbusiness Development Act - The legislature provided for a \$3,250,000 biennial appropriation from the in-state investment fund for the microbusiness finance program. The program may make loans up to \$250,000 to certified microbusiness development corporations which may use the funds for: 1) matching requirements for other state, federal, or private grants; 2) revolving loans to qualified microbusinesses; and 3) guaranteeing loans by financial institutions to qualified microbusinesses. In addition, the

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legislature appropriated \$64,600 general fund to pay costs of the program in fiscal 1992. Funds received as grants, donations, fees, and payments of interest on loans made by the department are statutorily appropriated.

HB 746 - Indian Monument and Flag - The legislature provided for a biennial appropriation to the Office of State Coordinator of Indian Affairs to erect a monument to American Indians and a Montana tribal flag circle at the capitol and to pay administrative expenses of the advisory committee.

HB 953 - Cosmetology Inspections - The legislature provided an appropriation of: 1) \$37,583 for fiscal 1992 consisting of \$21,689 personal services to hire an 1.0 FTE inspector, \$14,828 operations, and \$1,066 equipment; and 2) \$36,997 for fiscal 1993 consisting of \$22,130 personal services to hire an 1.0 FTE inspector and \$14,867 operations. Funds for the appropriation are received from fees paid by licensed cosmetologists and are to be used to conduct an annual inspection of each cosmetological establishment and manucuring shop in the state.

HB 990 - L & C Interpretive Center - The 1991 legislature provided a biennial appropriation of \$700,000 general fund for the planning, design, and all phases of construction for the Lewis and Clark National Historic Trail Interpretive Center. The money, along with \$300,000 of other funds, is to be used as a match to federally appropriated funds on an 8 to 1 basis. If the federal or other matching funds are not received by January 31, 1993, the general fund appropriation reverts to the general fund. During the January 1992 special session, the legislature reduced the appropriation by \$56,000, which increased the amount of other funds needed to match federal money to \$356,000. The other funds are local match monies, which do not pass through the state treasury.

HB 1010 - Hard Rock Mining Reserve - The legislature provided for an appropriation of up to \$100,000 to the hard-rock mining impact board from the hard-rock mining impact trust reserve account established by the legislation. Money in the hard-rock mining impact trust reserve account may be used for the administrative and operating expenses of the board. The legislation states that any money within the hard-rock mining impact trust account when the legislation is signed into law must be retained in the hard-rock mining impact trust reserve account.

House Joint Resolution 2, enacted during the January 1992 special session, directs the department to review funds of boards attached to the department and report findings and proposed action to the Revenue Oversight and Legislative Finance Committees.

PUBLIC SAFETY DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	1.00	1.00		1.00	1.00	1.00		1.00
Personal Services	53,583	53,583	2,052	55,635	53,458	53,458	3,365	56,823
Operating Expenses	83,061	83,061	0	83,061	82,633	82,633	0	82,633
Total Costs	\$136,644	\$136,644	\$2,052	\$138,696	\$136,091	\$136,091	\$3,365	\$139,456
Fund Sources								
State Revenue Fund	70,842	70,842	0	70,842	70,841	70,841	0	70,841
Proprietary Fund	65,802	65,802	2,052	67,854	65,250	65,250	3,365	68,615
Total Funds	\$136,644	\$136,644	\$2,052	\$138,696	\$136,091	\$136,091	\$3,365	\$139,456

Program Description

The Public Safety program provides for the administration, management, and coordination of activities of the Building Codes Bureau, Milk Control Bureau, Professional and Occupational Licensing Bureau, and Bureau of Weights and Measures. The Board of Passenger Tramway Safety, created by the 1989 legislature, is included in the Professional and Occupational Licensing Program.

Budget as Approved by the Regular 1991 Legislative Session

The budget increases by 121.4 percent due primarily to the inclusion of a \$72,000 appropriation for legal services in operating expenses. This appropriation may only be used to provide legal services to the boards.

Personal services increase due to the continuation of the fiscal 1991 pay plan in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$2,233 in fiscal 1992 and \$2,227 in fiscal 1993. Operating expenses reflect the contingent appropriation for legal costs and an increase of \$2,100 for travel. There were no travel costs in fiscal 1990. No equipment was requested for the program.

Funding

The proprietary funds in this program represent revenues from assessments to the Milk Control Board, Weights and Measures Bureau, Building Codes Bureau, and the Professional and Occupational Boards. The contingent legal services appropriation will be funded by the license revenues from any of the boards that utilize these services.

WEIGHTS & MEASURES BUREAU

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	11.00	11.00		11.00	11.00	11.00		11.00
Personal Services	281,192	277,192	19,476	296,668	281,512	279,012	31,245	310,257
Operating Expenses	128,671	128,671	0	128,671	127,465	127,465	0	127,465
Equipment	82,386	82,386	0	82,386	24,353	15,000	0	15,000
Total Costs	\$492,249	\$488,249	\$19,476	\$507,725	\$433,330	\$421,477	\$31,245	\$452,722
Fund Sources								
General Fund	492,249	488,249	19,476	507,725	433,330	421,477	31,245	452,722
Total Funds	\$492,249	\$488,249	\$19,476	\$507,725	\$433,330	\$421,477	\$31,245	\$452,722

Program Description

The Weights and Measures program is responsible for licensing, testing, inspecting, and calibrating all weighing and measuring devices. In addition, the program is responsible for maintaining minimum specifications of all petroleum products, licensing all petroleum dealers in Montana, and enforcing laws and regulations relating to quantity of all prepackaged commodities.

Special Session Action

During the January 1992 special session, the legislature made two changes to this budget: 1) reduced personal services by \$4,000 in fiscal 1992 and \$2,500 in fiscal 1993; and 2) reduced the Equipment Replacement modification by \$9,353 in fiscal 1993.

Budget as Approved by the Regular 1991 Legislative Session

The budget increases 20.2 percent with the majority of the increase due to the replacement equipment approved in the budget modification discussed at the agency level.

WEIGHTS & MEASURES BUREAU

Personal services decrease 0.2 percent due to the 4 percent across-the-board reduction in funding for personal services implemented by the legislature of \$11,716 in fiscal 1992 and \$11,730 in fiscal 1993. In addition, the vacant bureau chief position (grade 17) was reduced from a step 11 to a step 2.

Operating expenses increase 7.8 percent primarily because the legislature approved the fiscal 1991 appropriated level as a budget base, which was higher than fiscal 1990 actual expenditures. Other increases include the addition of the network costs and audit costs, which are budgeted in fiscal 1992.

The equipment budget will allow the purchase of field monitoring equipment and the replacement equipment described in the budget modification.

Funding

This program is supported by the general fund. The program collects fees for services which are deposited in the general fund. The revenue from the fees is equal to approximately 47 percent in fiscal 1992 and 53 percent in fiscal 1993 of the program costs. The enactment of House Bill 53, which increases the license fee paid by petroleum dealers, is expected to generate an additional \$20,000 general fund each year.

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Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	20.00	20.00		20.00	20.00	20.00		20.00
Personal Services	589,685	589,685	41,483	631,168	588,757	588,757	67,194	655,951
Operating Expenses	234,372	234,372	0	234,372	232,934	232,934	0	232,934
Equipment	27,323	27,323	0	27,323	4,000	4,000	0	4,000
Total Costs	\$851,380	\$851,380	\$41,483	\$892,863	\$825,691	\$825,691	\$67,194	\$892,885
Fund Sources								
State Revenue Fund	851,380	851,380	41,483	892,863	825,691	825,691	67,194	892,885
Total Funds	\$851,380	\$851,380	\$41,483	\$892,863	\$825,691	\$825,691	\$67,194	\$892,885

Program Description

The Financial Institution program is responsible for chartering and supervising the safety and soundness of state chartered banks and trust companies, savings and loan associations, and credit unions. It is responsible for licensing and supervising consumer loan companies, sales finance companies, and escrow companies. The program also examines the operations of certified capital companies, development corporations, certain loans of the Montana Board of Investments, and monitors prearranged funeral plans where funds are on deposit in Montana banks, savings and loans, or credit unions. The State Banking Board, which is responsible for making final determinations on applications for certificates of authorization for new banks, branch banks, mergers, consolidations, and relocations of banks and advising the director of the Department of Commerce on matters relating to banking, is administratively attached to this program.

Budget as Approved by the Regular 1991 Legislative Session

Personal services increase 12.5 percent because of high vacancy savings in fiscal 1990 and continuation of the fiscal 1991 pay plan. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$24,570 in fiscal 1992 and \$24,532 in fiscal 1993.

Operating expenses increase 22.7 percent primarily because travel was increased by \$16,000 per year. Fiscal 1990 travel expenditures were low due to staff vacancies. In addition, the legislature used the fiscal 1991 appropriation as the budget base, which is higher

FINANCIAL DIVISION

than fiscal 1990 expenditures. Other increases were for audit costs, network fees, and indirect costs assessed for the Management Services Division.

The equipment budget decreases 5.8 percent. The 1993 biennium equipment budget includes the modified budget discussed at the agency level.

Funding

Funding is from assessments paid by state-regulated financial institutions.

MILK CONTROL BUREAU

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	7.00	7.00		7.00	7.00	7.00		7.00
Personal Services	185,374	185,374	13,099	198,473	185,452	185,452	20,867	206,319
Operating Expenses	98,664	98,664	0	98,664	98,520	98,520	0	98,520
Equipment	300	300	0	300	300	300	0	300
Total Costs	\$284,338	\$284,338	\$13,099	\$297,437	\$284,272	\$284,272	\$20,867	\$305,139
Fund Sources								
State Revenue Fund	284,338	284,338	13,099	297,437	284,272	284,272	20,867	305,139
Total Funds	\$284,338	\$284,338	\$13,099	\$297,437	\$284,272	\$284,272	\$20,867	\$305,139

Program Description

The Milk Control program is responsible for supervising, regulating, and controlling the milk industry of the state. All matters pertaining to production, processing, storage, distribution, and sale of milk are investigated. The program ensures compliance with state laws through minimum pricing, fair trade rules, extension of credit, and by enforcing financing prohibitions of the law.

Budget as Approved by the Regular 1991 Legislative Session

The 1.3 percent increase in personal services results from the fiscal 1991 pay plan continuing into the 1993 biennium and vacancy savings experienced by the program in fiscal 1990. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$7,724 in fiscal 1992 and \$7,727 in fiscal 1993.

Operating expenses increase a net of 4.7 percent as a result of: 1) an increase of \$12,000 in indirect costs assessed by the Director/Management Services program; 2) using the fiscal 1991 appropriation as the budget base, which was approximately \$12,000 higher than fiscal 1990 expenditures; and 3) a reduction of \$13,000 in legal costs. Legal services needed by the board in the 1993 biennium will be financed through the legal contingency appropriation in the Public Safety program.

In fiscal 1990, the program purchased a personal computer. The equipment budget in the 1993 biennium will provide replacement office equipment.

Funding

Funding is from state special revenue funds received from assessments on Montana's milk products.

PROFESSIONAL AND OCCUPATIONAL LICENSING BUREAU

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	35.03	35.03		35.03	35.03	35.03		35.03
Personal Services	1,028,568	1,028,568	68,177	1,096,745	1,027,359	1,027,359	109,096	1,136,455
Operating Expenses	2,151,684	2,151,684	0	2,151,684	2,101,553	2,101,553	0	2,101,553
Equipment	24,348	24,348	0	24,348	6,335	6,335	0	6,335
Total Costs	\$3,204,600	\$3,204,600	\$68,177	\$3,272,777	\$3,135,247	\$3,135,247	\$109,096	\$3,244,343
Fund Sources								
State Revenue Fund	2,263,933	2,263,933	17,660	2,281,593	2,213,663	2,213,663	28,655	2,242,318
Proprietary Fund	940,667	940,667	50,517	991,184	921,584	921,584	80,441	1,002,025
Total Funds	\$3,204,600	\$3,204,600	\$68,177	\$3,272,777	\$3,135,247	\$3,135,247	\$109,096	\$3,244,343

Program Description

The Professional and Occupational Licensing (POL) program provides the administrative and clerical services required by the 30 licensing and regulatory boards authorized by statute. Services provided include correspondence, application processing, issuing and renewing licenses, administering and grading examinations, taking minutes of board meetings and hearings, and providing legal staff and investigators to investigate legal infractions. The Board of Passenger Tramways was moved to this program from the Public Safety program.

Language

"[The Professional and Occupational Licensing Bureau] contains \$3,000 in fiscal 1992 and \$2,000 in fiscal 1993 for the Board of Dentistry to implement mandatory continuing professional education requirements for dentists and dental hygienists."

Budget as Approved by the Regular 1991 Legislative Session

The budget increases 33.4 percent due to increases in personal services and operating expenses.

PROFESSIONAL AND OCCUPATIONAL LICENSING BUREAU

Personal services increase 25.8 percent, due mainly to the high vacancy savings experienced in fiscal 1990. In addition, a vacant position (grade 15) was reclassified to a bureau chief position (grade 18), adding \$12,259 per fiscal year, and other legislation which add \$76,582 in fiscal 1992 and \$76,406 in fiscal 1993. Other increases include additional overtime and board per diem of \$26,880 per year and the continuation of the fiscal 1991 pay plan in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$41,961 in fiscal 1992 and \$41,912 in fiscal 1993.

Operating expenses increase 36.4 percent because: 1) rent increased \$35,146 per fiscal year when the program moved from state-owned office space to privately-owned office space; 2) audit costs increase \$4,200 in fiscal 1992 only; 3) inflationary adjustments add \$20,000 per fiscal year; 4) the new network fee adds an annual \$10,950; 5) dental hygienists education costs in the Board of Dentistry increase \$3,000; 6) budget modifications, discussed at the agency level, add \$195,582 in fiscal 1992 and \$171,921 in fiscal 1993; 7) the Board of Outfitters adds \$15,000 per year to pay the Department of Fish, Wildlife and Parks to enforce the board's regulations; and 8) the legislature used fiscal 1991 appropriations as the budget base, which are \$123,990 higher than fiscal 1990 expenditures; and 8) recharges and indirect costs add \$156,452 per year. The decrease in fiscal 1993 is due to audit costs (which are shown in fiscal 1992) and the corresponding decrease in recharge cost.

The equipment budget will allow for the purchase of four computer terminals and some replacement office equipment. Budget modifications add \$14,955 in fiscal 1992 and \$4,087 in fiscal 1993.

Funding

The licensing boards in this program receive their funding from license fees, which are deposited in state special revenue fund accounts for each of the boards. The Administrative Services program is funded through assessments from each of the boards, which are deposited into a proprietary fund account.

BUSINESS DEVELOPMENT DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	23.00	23.00		23.00	23.00	23.00		23.00
Personal Services	726,263	709,863	47,784	757,647	725,906	693,069	78,441	771,510
Operating Expenses	1,075,401	1,057,701	0	1,057,701	1,098,340	1,076,764	0	1,076,764
Equipment	14,927	14,927	0	14,927	11,711	11,711	0	11,711
Grants	2,092,919	2,092,919	0	2,092,919	2,093,920	2,093,920	0	2,093,920
Total Costs	\$3,909,510	\$3,875,410	\$47,784	\$3,923,194	\$3,929,877	\$3,875,464	\$78,441	\$3,953,905
Fund Sources								
General Fund	818,316	745,257	25,193	770,450	816,984	723,609	41,535	765,144
State Revenue Fund	542,867	581,826	3,191	585,017	539,873	578,835	5,216	584,051
Federal Revenue Fund	2,548,327	2,548,327	19,400	2,567,727	2,573,020	2,573,020	31,690	2,604,710
Total Funds	\$3,909,510	\$3,875,410	\$47,784	\$3,923,194	\$3,929,877	\$3,875,464	\$78,441	\$3,953,905

Program Description

The Business Development program provides the direct technical assistance component of the state's economic development programs. The program's Small Business Development Center program has offices in Glendive, Bozeman, Kalispell, and Helena to provide direct assistance to small businesses in finance, marketing, export, and data systems. The Helena office includes the Business Licensing Center and provides coordination for the Montana Ambassadors program. The operation and funding of the portion of Community Development Block Grant (CDBG) program for economic development was moved to this program in fiscal 1989 from Local Government Services - Community Development program. The Business Location program provides general and detailed research assistance to firms considering expansion in or relocation to Montana and seeks to attract firms in targeted industries to consider Montana locations. The Pacific Rim program helps Montana businesses compete successfully in Asian markets.

Special Session Action

During the January 1992 special session, the legislature made changes to two segments of the Business Development Division budget: 1) general fund support of the International Affairs Coordinator modification (\$38,959 in fiscal 1992 and \$38,962 in fiscal 1993) was replaced with accommodations tax revenue and language was added to House Bill 2 authorizing the department to seek and expend private

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or other funds to replace the \$77,921 of added accommodations tax funds; and 2) the Certified Communities program was eliminated, resulting in personal services reductions of \$16,400 in fiscal 1992 and \$32,837 in fiscal 1993, and operating expense reductions of \$17,700 in fiscal 1992 and \$21,576 in fiscal 1993. Language in House Bill 2 authorizes this division to retain the 1.0 FTE formerly associated with the Certified Communities program.

Language

"[The Defense Logistics Agency Contract] contains \$110,760 per year of federal funds to provide assistance for small businesses in contracting with the federal government. General fund may not be used in place of these federal funds."

"The department is authorized to seek and expend private or other funds to replace \$77,921 of state special revenue included in [International Affairs Coordinator]. If the department is successful in securing private or other funds, the accommodations tax state special revenue account appropriation is reduced by \$38,959 in fiscal 1992 and \$38,962 in fiscal 1993."

"In eliminating the Certified Communities program, the Business Development Division may retain the 1.0 FTE associated with that program."

Budget as Approved by the Regular 1991 Legislative Session

There is an 8.0 FTE increase in this program, 7.0 of which are from the budget modifications discussed in the agency level narrative. The other 1.0 FTE is a unit manager position transferred from the Community Development program.

Personal services increase 42.7 percent primarily because of the increased modified FTE's which add \$203,751 in fiscal 1992 and \$203,286 in fiscal 1993. The unit manager position was transferred into the program during fiscal 1990, resulting in personal services expenditures being approximately \$19,000 higher than budgeted. The continuation of the fiscal 1991 pay plan in the 1993 biennium accounts for the remainder of the increase. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$29,008 in fiscal 1992 and \$28,995 in fiscal 1993.

Operating expenses increase 50.4 percent primarily because of the budget modifications shown on the table at the agency level, which add \$249,565 in fiscal 1992 and \$275,188 in fiscal 1993. The legislature used the fiscal 1991 appropriation as the budget base, which is \$107,700 higher than fiscal 1990 expenditures. It also added \$45,000 each year for exhibition costs in the Pacific Rim program.

The equipment budget includes \$13,677 in fiscal 1992 and \$10,461 in fiscal 1993 due to the budget modifications. The remainder is for the purchase of computer software.

Grant expenditures increase 60.5 percent due to an anticipated increase in the Community Development Block Grant (CDBG) funds.

BUSINESS DEVELOPMENT DIVISION

Funding

State special revenue supporting this division comes from private, Growth Through Agriculture (coal tax), and accommodations tax funds. Of the increase in state special revenue funds, \$273,726 is from the budget modifications. During the special session, the legislature replaced \$77,921 of general fund in the International Affairs Coordinator modification with accommodations tax funds.

Federal funds are primarily CDBG funds, which are anticipated to increase during the 1993 biennium. The pay plan is totally funded with federal Small Business Development funds. In addition, \$354,682 is added by the budget modifications in fiscal 1992 and \$380,694 in fiscal 1993.

General fund supports the remainder of the program.

MONTANA PROMOTION DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	17.33	17.33		17.33	17.33	17.33		17.33
Personal Services	457,543	457,543	36,572	494,115	456,785	456,785	59,141	515,926
Operating Expenses	3,737,063	3,737,063	0	3,737,063	3,732,314	3,732,314	0	3,732,314
Equipment	1,000	1,000	0	1,000	1,000	1,000	0	1,000
Local Assistance	1,601,882	1,601,882	0	1,601,882	1,920,088	1,920,088	0	1,920,088
Total Costs	\$5,797,488	\$5,797,488	\$36,572	\$5,834,060	\$6,110,187	\$6,110,187	\$59,141	\$6,169,328
Fund Sources								
State Revenue Fund	5,797,488	5,797,488	36,572	5,834,060	6,110,187	6,110,187	59,141	6,169,328
Total Funds	\$5,797,488	\$5,797,488	\$36,572	\$5,834,060	\$6,110,187	\$6,110,187	\$59,141	\$6,169,328

Program Description

The Montana Promotion program is responsible for generating revenues for Montana by increasing the number and expenditures of nonresident visitors and increasing expenditures by nonresident production companies (motion picture and television commercials) in the state. The program works to project a positive image of the state through consumer advertising, publicity, international and domestic group travel marketing, printing and distribution of literature, and marketing to motion picture and television companies. In addition, the program provides training and assistance to the Montana tourism industry and oversees budget expenditures by the various non-profit corporations funded by the Montana accommodations tax.

Special Session Action

During the January 1992 special session, the legislature reduced the \$700,000 general fund biennial appropriation for the Lewis & Clark Interpretive Center (House Bill 990) by \$56,000.

Budget as Approved by the Regular 1991 Legislative Session

Personal services increase 19.6 percent due to: 1) 1.0 FTE transferred from the Aeronautics Division at an annual cost of approximately \$26,690; 2) vacancy savings in fiscal 1990 of approximately \$66,000; and 3) the continuation of the 1991 pay plan. These increases

MONTANA PROMOTION DIVISION

are partially offset by reductions for positions filled at lower steps. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$19,064 in fiscal 1992 and \$19,033 in fiscal 1993.

Operating expenditures increase by 9.7 percent, which includes \$682,244 in both fiscal 1992 and fiscal 1993 for the budget modification shown at the agency level. The legislature used the fiscal 1991 appropriation as the budget base, which was \$474,200 higher than fiscal 1990 expenditures. Other increases include inflationary adjustments of \$22,000, audit costs of \$3,000, and network fees of \$6,210 per year. These increases are offset by \$860,675 of expenditures in fiscal 1990 that were made by statutory appropriation, which are not included in fiscal 1992. Audit costs account for the \$6,000 decrease between fiscal 1992 and fiscal 1993.

The equipment budget is for miscellaneous office equipment.

Local assistance expenditures are the transfers of accommodations tax to local tourism promotion groups. This budget shows a 18.1 percent increase. However, fiscal 1990 includes \$105,989 of expenditures from a statutory appropriation. The increase from fiscal 1992 to fiscal 1993 is due to the budget modification.

Funding

Funding for this program comes from private donations and the accommodations tax. The accommodations tax (less portions for the Department of Revenue, Historical Society, university system, and payments by state employees) is statutorily appropriated to the Department of Commerce for tourism promotion and promotion of the state as a location for motion pictures and television commercials. Of the amount the department receives, 75 percent is used directly by the department and 25 percent is distributed to regional nonprofit tourism corporations.

COMMUNITY DEVELOPMENT BUREAU

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	18.50	18.50		18.50	18.50	17.50		17.50
Personal Services	557,836	557,836	36,105	593,941	557,870	522,507	58,195	580,702
Operating Expenses	465,639	465,639	0	465,639	449,342	484,342	0	484,342
Equipment	5,062	5,062	0	5,062	5,156	5,156	0	5,156
Grants	23,104,351	22,604,351	0	22,604,351	23,114,554	21,514,554	0	21,514,554
Total Costs	\$24,132,888	\$23,632,888	\$36,105	\$23,668,993	\$24,126,922	\$22,526,559	\$58,195	\$22,584,754
Fund Sources								
General Fund	221,939	221,939	9,712	231,651	219,837	254,837	15,888	270,725
State Revenue Fund	2,798,287	2,298,287	6,534	2,304,821	2,796,279	1,160,916	10,433	1,171,349
Federal Revenue Fund	21,112,662	21,112,662	19,859	21,132,521	21,110,806	21,110,806	31,874	21,142,680
Total Funds	\$24,132,888	\$23,632,888	\$36,105	\$23,668,993	\$24,126,922	\$22,526,559	\$58,195	\$22,584,754

Program Description

The Local Government Assistance - Community Development program provides assistance to local governments, private developers, and the public in public-works planning and financing; land use, development, and financing; low income rent assistance; coal and hard rock mining impact mitigation; and general local government research and development. The program includes the following boards and programs. The Coal Board provides grants to local governments where adverse impacts have occurred as a result of large-scale coal development. The Hard-Rock Mining Impact Board assists mineral developers and local governments in preparing and implementing impact plans for new, large-scale, hard-rock mining developments, arbitrates disputes, makes determinations on impact plan waivers, and generally implements the Hard Rock Mining Impact Act. The Housing Assistance program provides financial assistance for rental housing to the needy and provides financial assistance and guarantees to rental housing developers to improve the housing stock available to needy Montanans. The Community Technical Assistance program provides technical assistance to local developers, local officials, and others on capital improvement planning and budgeting, land use and zoning regulation, and financing public works projects, in addition to researching special local policy issues and distributing the county land planning funds. The CDBG program receives, awards, and administers federal Housing and Urban Development funds to assist local governments with public facility and housing needs to benefit low to moderate income people.

COMMUNITY DEVELOPMENT BUREAU

Special Session Action

During the January 1992 special session, the legislature made the following changes to this budget: 1) reduced the Coal Board's local impact account appropriation for grants by \$500,000 in fiscal 1992 and \$1,600,000 in fiscal 1993; 2) reduced the Coal Board's administrative appropriation from the local impact account by \$35,363 in fiscal 1993 through elimination of 1.0 FTE; and 3) added \$35,000 of general fund in fiscal 1993 to implement the Treasure State Endowment program.

The legislature also added language to House Bill 2 regarding the changes outlined above: 1) directing the department to retain reduced Coal Board funds in the local impact account until the end of the biennium for reversion to the school equalization account; and 2) making the Treasure State Endowment implementation appropriation contingent upon electoral approval.

Language

"There must be retained in the local impact account, established under 90-6-202, for the purpose of reverting to the state special revenue account for school equalization aid to public schools an amount not less than \$500,000 in fiscal 1992 and \$1,635,363 in fiscal 1993."

"[Treasure State Endowment - HB 19] is to implement House Bill No. 19 and is contingent on passage of House Bill No. 19 and on electoral approval." The legislature passed House Bill 19 and the electorate votes on the program in June, 1992.

Budget as Approved by the Regular 1991 Legislative Session

The FTE decreased 1.5 because a 1.0 FTE program officer position was transferred to the Business Development program and a 0.5 FTE was transferred to the Local Government Assistance - Administration program. During the 1992 special session, the legislature eliminated 1.0 FTE in the Coal Board in fiscal 1993.

Personal services increase 10.2 percent in spite of the FTE transfers (which reduce personal services costs by approximately \$40,550 per year) due to: 1) vacancy savings in fiscal 1990 of approximately \$98,000; and 2) the continuation of the fiscal 1991 pay plan in the 1993 biennium. The legislature also increased funding for board per diem. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$23,245 in fiscal 1992 and \$23,244 in fiscal 1993. In eliminating the 1.0 FTE from the Coal Board in fiscal 1993 during the special session, the legislature further reduced personal services in fiscal 1993 by \$35,363. Because that position was supported by local impact account funds, \$35,363 was added to the amount that must revert to the school equalization account at the end of the biennium as per the above language.

Operating expenses increase 37.1 percent or approximately \$126,000 from fiscal 1990 to fiscal 1992 because: 1) \$25,000 was added each fiscal year to increase the number of housing inspections as required by HUD; 2) audit costs are \$19,700 higher in fiscal 1992 than

COMMUNITY DEVELOPMENT BUREAU

fiscal 1990 expenditures; 3) printing costs increase \$9,100 per fiscal year; 4) indirect cost increase \$28,400 per fiscal year; and 5) base adjustments, inflation, and network fee increase. Audit costs account for the decrease between fiscal 1992 and fiscal 1993. The 1992 special session legislature added \$35,000 to operating expenses in fiscal 1993 to implement the Treasure State Endowment program (House Bill 19).

The equipment budget is for miscellaneous office furniture and equipment.

Grants increase 48.2 percent or approximately \$7.5 million. However, during the January 1992 special session, the legislature reduced Coal Board grants by \$500,000 in fiscal 1992 and \$1,600,000 in fiscal 1993. The fiscal 1990 transfer of \$1.03 million of coal tax to the Department of Highways for the Decker Busby Highway project is shown as a transfer rather than a grant. If this had been included as a grant, the increase would have been \$6.5 million. Increases in fiscal 1992 include \$5.2 million in the Housing Assistance program, \$139,300 in the Community Development Block Grant program, and \$1.0 million in the Section 8 grants.

Funding

The Community Development Bureau contains six programs which are financed with general fund, state special revenue, and federal funds. The following table details the funding of each of these programs, the pay plan, and the Treasure State Endowment budget modification.

Table 1
Community Development Bureau Funding

	General Fund	Fiscal 1992				Total Funds
		Local Impact	Hardrock Mining	County Land Plan	Federal	
Coal Board		\$2,052,762				\$2,052,762
Hard Rock Mining Board			\$98,895			98,895
Community Assistance	\$144,953					144,953
County Land Planning				\$146,630		146,630
Housing Assistance					\$14,241,295	14,241,295
Comm. Dev. Block Grants	76,986				6,871,367	6,948,353
Pay Plan	9,712	3,578	2,956		19,859	36,105
TOTAL	\$231,651	\$2,056,340	\$101,851	\$146,630	\$21,132,521	\$23,668,993

COMMUNITY DEVELOPMENT BUREAU

-----Fiscal 1993-----

	General Fund	Local Impact	Hardrock Mining	County Land Plan	Federal	Total Funds
Coal Board		\$916,236				\$916,236
Hard Rock Mining Board			\$98,688			98,688
Community Assistance	\$144,700					144,700
County Land Planning				\$145,992		145,992
Housing Assistance					\$14,241,283	14,241,283
Comm. Dev. Block Grants	75,137				6,869,523	6,944,660
Pay Plan	15,888	5,679	4,754		31,874	58,195
Treasure State Endowment	35,000					35,000
TOTAL	\$270,725	\$921,915	\$103,442	\$145,992	\$21,142,680	\$22,584,754

Funding for the programs comes from the following sources: 1) the Coal Board is funded with 6.65 percent of the total coal tax collections; 2) the Hard Rock Mining Board is funded from the metalliferous mines license tax; 3) the Community Assistance program is funded entirely with general fund; 4) the County Land Planning program is funded from 0.38 percent of total coal tax collections; 5) Housing Assistance receives funding from federal Section 8 Housing funds; and 6) the Community Development Block Grant program receives federal block grant funds. The federal fund increase of 44.2 percent reflects the increase in the grants expenditures which include the budget modifications.

OFFICE OF RESEARCH AND INFORMATION SERVICES

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	7.83	7.83		7.83	7.83	7.83		7.83
Personal Services	221,284	221,284	15,137	236,421	220,902	220,902	24,750	245,652
Operating Expenses	124,891	119,891	0	119,891	111,640	96,640	0	96,640
Equipment	13,952	13,952	0	13,952	14,000	2,000	0	2,000
Total Costs	\$360,127	\$355,127	\$15,137	\$370,264	\$346,542	\$319,542	\$24,750	\$344,292
Fund Sources								
General Fund	360,127	355,127	15,137	370,264	346,542	319,542	24,750	344,292
Total Funds	\$360,127	\$355,127	\$15,137	\$370,264	\$346,542	\$319,542	\$24,750	\$344,292

Program Description

The Office of Research and Information Services program provides a central and accessible information source for the department and Montana's economic community. It monitors and analyzes the Montana economy; conducts specific economic analysis projects; distributes economic, demographic, and business information through the Census and Economic Information Center; maintains and presents information on the department's economic development programs; and supports the department's research, informational, business development, and promotional activities.

Special Session Action

The legislature made the following reductions to this budget during the January 1992 special session: 1) reduced operating expenses in the Automation of Census budget modification by \$5,000 in fiscal 1992 and \$15,000 in fiscal 1993; and 2) reduced equipment by \$12,000 in fiscal 1993.

Language

"[Automation of Census] contains \$58,061 in fiscal 1992 and \$37,266 in fiscal 1993 for automation of census data. In preparing the 1995 biennial budget for legislative consideration, the Office of Budget and Program Planning and the Legislative Fiscal Analyst's office may not include the expenditures from this item in the current level base."

OFFICE OF RESEARCH AND INFORMATION SERVICES

Budget as Approved by the Regular 1991 Legislative Session

The personal services budget increases by 42.1 percent due to: 1) \$28,860 in fiscal 1992 and \$28,794 in fiscal 1993 for the 1.0 FTE added in the Automation of Census budget modification discussed at the agency level; 2) vacancy savings in fiscal 1990 of approximately \$51,000; and 3) the fiscal 1991 pay plan continuing into the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$9,221 in fiscal 1992 and \$9,205 in fiscal 1993.

Operating expenses increase by 189.8 percent because: 1) \$25,000 was added to contracted services for economic analysis because the department eliminated an economist position; 2) the budget modification adds \$34,201 in fiscal 1992 and \$23,472 in fiscal 1993; 3) the legislature used the fiscal 1991 appropriation as the budget base, which is higher than fiscal 1990 expenditures; and 4) net increases for network costs, indirect costs, and audits are offset by deflation for computer processing costs. The decrease between fiscal 1992 and fiscal 1993 is due to audit costs and the budget modification. During the January 1992 special session, the legislature reduced operating expenses in the budget modification by \$5,000 in fiscal 1992 and \$15,000 in fiscal 1993.

Equipment consists of multi-user computer and terminals and office furniture, and was reduced by \$12,000 in fiscal 1993 during the January special session.

Funding

The funding for this program is entirely general fund.

LOCAL GOVERNMENT SERVICES-AUDIT

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	30.25	30.25		30.25	31.25	31.25		31.25
Personal Services	855,465	855,465		915,560	879,842	879,842	100,346	980,188
Operating Expenses	343,008	343,008	60,095	343,008	346,619	346,619	0	346,619
Equipment	56,745	56,745	0	56,745	16,828	16,828	0	16,828
Transfers	92,343	89,343	0	89,343	92,314	89,314	0	89,314
Total Costs	\$1,347,561	\$1,344,561	\$60,095	\$1,404,656	\$1,335,603	\$1,332,603	\$100,346	\$1,432,949
<u>Fund Sources</u>								
General Fund	89,770	86,770	3,993	90,763	89,737	86,737	6,496	93,233
Proprietary Fund	1,257,791	1,257,791	56,102	1,313,893	1,245,866	1,245,866	93,850	1,339,716
Total Funds	\$1,347,561	\$1,344,561	\$60,095	\$1,404,656	\$1,335,603	\$1,332,603	\$100,346	\$1,432,949

Program Description

The Local Government Services - Audit program provides for the financial and compliance post auditing of the financial statements of local taxing jurisdictions in Montana, as required by law. These audits are conducted by staff and through contracts with private accounting firms. The program also performs special audits in cases of suspected fraud or misappropriation of funds. This program sets audit program standards and provides technical assistance to local, state and federal governments as well as private individuals. The audit function is designed to protect the taxpayers' interests by verifying that the financial conditions and operations are responsibly accounted and reported for and that local officials are complying with appropriate statutes and regulations.

Special Session Action

The legislature reduced transfers in this program by \$3,000 each year during the January 1992 special session.

Budget as Approved by the Regular 1991 Legislative Session

Personal services increase 19.3 percent primarily due to: 1) approximately \$97,600 in vacancy savings in fiscal 1990; 2) the Single Audit Act budget modification which adds \$33,939 in fiscal 1992 and \$59,065 in fiscal 1993; 3) a net increase of 0.55 FTE resulting from changes in the administrator's position, an accountant position, and a word processor position; and 4) the continuation of the

LOCAL GOVERNMENT SERVICES-AUDIT

fiscal 1991 pay plan in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$35,644 in fiscal 1992 and \$36,660 in fiscal 1993.

Operating expenses increase 35.8 percent due to the budget modifications listed at the agency level, the use of fiscal 1991 appropriations as the budget base, and minor increases for inflation and audit costs.

The equipment budget will allow the purchase of nine portable computers, nine calculators, and a printer.

The transfer authority is necessary to allow the transfer of general fund to the proprietary fund, in accordance with generally accepted accounting principles (GAAP), and was reduced by \$3,000 each year during the special session.

Funding

The majority of the funding for this program comes from service fees assessed local governments for audit services. The general fund supports the cost of the non-billable services.

LOCAL GOVERNMENT SERVICES-SYSTEMS

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	2.75	2.75		2.75	2.75	2.75		2.75
Personal Services	112,496	112,496	4,731	117,227	112,233	112,233	7,524	119,757
Operating Expenses	73,881	73,881	0	73,881	73,066	73,066	0	73,066
Transfers	53,770	50,770	0	50,770	53,635	50,635	0	50,635
Total Costs	\$240,147	\$237,147	\$4,731	\$241,878	\$238,934	\$235,934	\$7,524	\$243,458
Fund Sources								
General Fund	52,741	49,741	979	50,720	52,605	49,605	1,570	51,175
Proprietary Fund	187,406	187,406	3,752	191,158	186,329	186,329	5,954	192,283
Total Funds	\$240,147	\$237,147	\$4,731	\$241,878	\$238,934	\$235,934	\$7,524	\$243,458

Program Description

The Local Government Services - Systems program develops, implements, and maintains the uniform budgetary, accounting, and reporting systems for Montana cities, towns, counties, school districts, and other special purpose taxing jurisdictions. It provides regular and special technical assistance on accounting and reporting standards to local financial personnel, coordinates technical and procedural advice and assistance between state agencies and local governments, and is the central state repository of annual budget documents and annual financial reports from counties, cities, and towns. The 1991 legislature transferred the District Court Reimbursement program, which assists counties in paying for on-going and extraordinary criminal case court costs, to the Supreme Court Administrator.

Special Session Action

The legislature reduced transfer authority in this program by \$3,000 each year.

LOCAL GOVERNMENT SERVICES-SYSTEMS

Budget as Approved by the Regular 1991 Legislative Session

Due to enacted legislation (House Bill 864), the District Court function of this program has been transferred to the Supreme Court Administrator. Therefore, FTE, actual fiscal 1990 expenditures, and legislative approved budgets for this function are not reflected in the program table.

There is a 1.55 decrease in FTE because of the elimination of a 1.0 FTE accounting position and a transfer of 0.55 FTE from this program to the Local Government Services Audit program, at a cost savings of approximately \$44,200 per fiscal year. Personal services increase 25.2 percent in spite of the FTE decrease because: 1) \$47,500 of vacancy savings in fiscal 1990; and 2) the fiscal 1991 pay plan is continued in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$4,687 in fiscal 1992 and \$4,676 in fiscal 1993.

Operating expenses decrease 1.2 percent due to less rent and utility costs resulting from the move to the Commerce building.

The transfer expense is the authority needed to transfer general fund to the proprietary fund in the Local Government Systems program, as required by Generally Accepted Accounting Principles (GAAP). The general fund supports costs which cannot be billed to local governments for services provided by the program. The decrease in the expenditure reflects the decrease of general fund in the Local Government Systems program. During the January 1992 special session, the legislature reduced transfer authority in this program by \$3,000 each year.

Funding

The general fund provides funding for costs which cannot be billed to local governments for services fees. Service fees billed to local governments are the source of revenues to the proprietary fund.

LOCAL GOVERNMENT ASSISTANCE ADMINISTRATION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	2.50	2.50		2.50	2.50	2.50		2.50
Personal Services	102,202	102,202	4,775	106,977	102,539	102,539	7,710	110,249
Operating Expenses	13,566	13,566	0	13,566	13,271	13,271	0	13,271
Total Costs	\$115,768	\$115,768	\$4,775	\$120,543	\$115,810	\$115,810	\$7,710	\$123,520
Fund Sources								
Proprietary Fund	115,768	115,768	4,775	120,543	115,810	115,810	7,710	123,520
Total Funds	\$115,768	\$115,768	\$4,775	\$120,543	\$115,810	\$115,810	\$7,710	\$123,520

Program Description

The Local Government Assistance - Administration program provides professional and legal services to 12 service and financial assistance programs. This program supervises the functions of the Community and Housing Assistance Bureau (which includes the Coal Board and Hard-Rock Mining Board), and the Local Government Services Bureau (which includes the Audit and the Systems programs).

Budget as Approved by the Regular 1991 Legislative Session

The budget increases 14.3 percent due to increased personal services and operating expenses. A 0.5 FTE was transferred to the program from the Community Development program (Hardrock Mining), increasing personal services by approximately \$12,000 per fiscal year. The remainder of the increase is due to the continuation of the fiscal 1991 pay plan in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$4,258 in fiscal 1992 and \$4,272 in fiscal 1993. The operating expense increase is due to increases in indirect costs, audits, network fees, and use of the fiscal 1991 appropriation as the budget base.

Funding

Funding for this program comes from assessments to the Community Assistance and Local Government programs.

BUILDING CODES BUREAU

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	30.00	30.00		30.00	30.00	30.00		30.00
Personal Services	855,638	855,638	60,898	916,536	855,159	855,159	97,960	953,119
Operating Expenses	397,727	397,727	0	397,727	394,886	394,886	0	394,886
Equipment	192,354	192,354	0	192,354	930	930	0	930
Total Costs	\$1,445,719	\$1,445,719	\$60,898	\$1,506,617	\$1,250,975	\$1,250,975	\$97,960	\$1,348,935
<u>Fund Sources</u>								
General Fund	30,183	30,183	1,887	32,070	30,016	30,016	3,043	33,059
State Revenue Fund	1,415,536	1,415,536	59,011	1,474,547	1,220,959	1,220,959	94,917	1,315,876
Total Funds	\$1,445,719	\$1,445,719	\$60,898	\$1,506,617	\$1,250,975	\$1,250,975	\$97,960	\$1,348,935

Program Description

The Building Codes program establishes and enforces minimum building, plumbing, mechanical, electrical, energy, and elevator codes. This enforcement safeguards the public, employees, and property in the design and construction of buildings, built-in-Montana recreational vehicles, and factory-built buildings manufactured or offered for sale in Montana. When possible, the program approves and certifies local government code enforcement programs to utilize codes adopted by the program. The program also has plumber, electrician, and public contractor licensing responsibilities. Administrative support, including enforcement duties, are provided to the Board of Plumbers and the State Electrical Board, both of which are administratively attached to the program. The Public Contractor's Licensing program is administered and enforced by the program.

Budget as Approved by the Regular 1991 Legislative Session

The budget increases 24.3 percent due primarily to the vehicle replacement modification described at the agency level.

Personal services increase 4.5 percent due to: 1) \$64,700 of vacancy savings realized in fiscal 1990 that is not budgeted in the 1993 biennium; 2) the continuation of the fiscal 1991 pay plan increase; and 3) board per diem budgeted at the fiscal 1991 appropriated level, which is higher than fiscal 1990 expenditures. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$35,652 in fiscal 1992 and \$35,631 in fiscal 1993.

BUILDING CODES BUREAU

Operating expenses increase 18.4 percent due to: 1) repairs of \$8,000; 2) indirect costs of \$12,000; 3) goods purchased for resale of \$12,500; 4) inflationary adjustments of \$7,000; 5) audit and network fees; and 6) use of the fiscal 1991 appropriation as the budget base.

The equipment budget will allow for replacement of 17 vehicles.

Funding

The state special revenue from inspection fees and electrical and plumbing license fees funds most of this program. The Contractors Licensing program is funded by the general fund. Contractors' license fee revenues are deposited in the general fund.

INDIAN AFFAIRS COORDINATOR

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	4.50	4.50		4.50	5.00	5.00		5.00
Personal Services	125,505	125,505	8,661	134,166	138,484	138,484	15,922	154,406
Operating Expenses	70,207	68,207	0	68,207	56,465	54,465	0	54,465
Equipment	2,500	2,500	0	2,500	2,500	2,500	0	2,500
Total Costs	\$198,212	\$196,212	\$8,661	\$204,873	\$197,449	\$195,449	\$15,922	\$211,371
<u>Fund Sources</u>								
General Fund	100,676	98,676	3,438	102,114	100,457	98,457	5,534	103,991
Federal Revenue Fund	97,536	97,536	5,223	102,759	96,992	96,992	10,388	107,380
Total Funds	\$198,212	\$196,212	\$8,661	\$204,873	\$197,449	\$195,449	\$15,922	\$211,371

Program Description

The Coordinator of Indian Affairs program, through the Indian Affairs Coordinator, serves as the Governor's liaison with the state's Indian tribes, provides information and policy support on issues confronting the Indians of Montana, and advises and makes recommendations to the legislative and executive branches on these issues. The coordinator also serves the Montana Congressional delegation as an advisor and intermediary in the field of Indian affairs, and acts as spokesman for representative Native American organizations and groups, both public and private, whenever that support is requested.

Special Session Action

During the special session, the legislature reduced operating expenses in this program by \$2,000 each year.

Budget as Approved by the Regular 1991 Legislative Session

The budget increases by 118.8 percent or \$107,633, due in large part to the budget modification described at the agency level.

INDIAN AFFAIRS COORDINATOR

The budget modification increases personal services by \$59,133 in fiscal 1992 and \$72,191 in fiscal 1993. Other increases include the continuation of the fiscal 1991 pay plan in the 1993 biennium and a \$4,000 increase in the coordinator's salary. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$5,230 in fiscal 1992 and \$5,770 in fiscal 1993.

Operating costs increase 156.8 percent because of: 1) the budget modification which adds \$35,903 in fiscal 1992 and \$22,301 in fiscal 1993; 2) the use of fiscal 1991 appropriations rather than fiscal 1990 actual expenditures (\$4,700); and 3) small increases in audits, indirect costs, and inflation. During the January 1992 special session, the legislature reduced operating expenses by \$2,000 each year.

The equipment budget is for general replacement of office equipment. The budget modification adds \$2,500 per year.

Funding

The federal funding for this program is the Federal Highway Administration grant in the modified budget received by the Department of Highways and granted to this program.

HEALTH FACILITIES AUTHORITY

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	1.00	1.00		1.00	1.00	1.00		1.00
Personal Services	47,053	47,053	1,654	48,707	46,950	46,950	2,596	49,546
Operating Expenses	75,188	75,188	0	75,188	69,143	69,143	0	69,143
Total Costs	\$122,241	\$122,241	\$1,654	\$123,895	\$116,093	\$116,093	\$2,596	\$118,689
Fund Sources								
Proprietary Fund	122,241	122,241	1,654	123,895	116,093	116,093	2,596	118,689
Total Funds	\$122,241	\$122,241	\$1,654	\$123,895	\$116,093	\$116,093	\$2,596	\$118,689

Program Description

The Montana Health Facilities Authority program was established by the 1983 legislature to help eligible health care institutions access the tax-exempt interest market. The program issues tax-exempt bonds to finance health care facility projects at interest rates significantly below those which would be available at taxable rates. Two types of programs are operated by the authority: one to provide financing for individual facilities and the other to satisfy the capital needs of a pool of facilities.

Budget as Approved by the Regular 1991 Legislative Session

The budget increases 7.7 percent, due primarily to a contract with the Board of Investments. Under this contract, the program will pay a portion of the costs of a bond program specialist position (a budget modification in the Board of Investments) which will be shared by the two programs. Increased audit costs and use of the fiscal 1991 appropriations as the budget base rather than fiscal 1990 actual expenditures accounts for the remainder of the increase.

Funding

Program funding is provided by fees charged for loan applications and from investment income.

MONTANA SCIENCE & TECHNOLOGY ALLIANCE

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	7.00	7.00		7.00	7.00	7.00		7.00
Personal Services	236,869	196,869	13,324	210,193	236,350	236,350	21,803	258,153
Operating Expenses	249,639	211,845	0	211,845	259,570	184,570	0	184,570
Grants	50,500	50,500	0	50,500	38,500	38,500	0	38,500
Total Costs	\$537,008	\$459,214	\$13,324	\$472,538	\$534,420	\$459,420	\$21,803	\$481,223
<u>Fund Sources</u>								
General Fund	537,008	459,214	13,324	472,538	534,420	459,420	21,803	481,223
Total Funds	\$537,008	\$459,214	\$13,324	\$472,538	\$534,420	\$459,420	\$21,803	\$481,223

Program Description

The Montana Science and Technology Alliance manages two investment funds for the purpose of strengthening entrepreneurial business development in Montana by encouraging the utilization of innovative technology for the benefit of the state's economy. The **Seed Capital Investment program** has \$7.5 million of the In-State Investment Fund (part of the Coal Severance Tax Trust Fund) for investment in new and expanding technology-based businesses in Montana. The **Research and Development Financing program** assists in the accelerated development of technology by providing a source of funds to researchers and research organizations in Montana for projects that have technological and commercial potential. Financing under this program will be directed toward continuing the Technology Centers of Excellence program located within the Montana University System.

Special Session Action

The legislature made the following changes to this program budget during the special session: 1) reduced personal services by \$40,000 in fiscal 1992; and 2) reduced operating expenses by \$37,794 in fiscal 1992 and \$75,000 in fiscal 1993.

House Bill 18, which was enacted during the special session and terminates June 30, 1993, transfers amounts in excess of \$50,000 in the Science and Technology Alliance state special revenue account to the general fund. This bill resulted in an immediate transfer of approximately \$19,000 to the general fund.

MONTANA SCIENCE & TECHNOLOGY ALLIANCE

Language

"All revenue deposited in the science and technology development special revenue account (section 90-3-305, MCA) is appropriated to the Montana Board of Science and Technology Development." During the special session, the legislature enacted legislation (House Bill 18) which transfers to the general fund all funds in excess of \$50,000 in this account.

Budget as Approved by the Regular 1991 Legislative Session

Personal services increase by 60.6 percent due to: 1) vacancy savings of \$43,000 in fiscal 1990; 2) the continuation of fiscal 1991 pay plan in the 1993 biennium; 3) an increase of \$5,300 in the director's salary; 4) board per diem, budgeted at the fiscal 1991 appropriated level, which is \$2,600 more than fiscal 1990 actual expenditures; and 5) the budget modification (discussed at the agency level) which adds \$38,481 in fiscal 1992 and \$38,392 in fiscal 1993. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$8,266 in fiscal 1992 and \$8,248 in fiscal 1993. Personal services were further reduced during the 1992 special session, when the legislature approved a \$40,000 reduction in fiscal 1992.

Operating expenses increase by 88.2 percent. The major increases are: 1) the addition of \$81,925 in fiscal 1992 and \$96,925 in fiscal 1993 for contracted services and legal fees; 2) inflationary adjustments of \$10,000; 3) a rent increase of \$2,700; 4) \$4,500 in fiscal 1992 and \$8,700 in fiscal 1993 because fiscal 1991 appropriated expenditures were used as a base rather than fiscal 1990 actual expenditures; 5) an indirect cost increase of \$7,000 per year; and 6) the budget modification which adds \$11,519 in fiscal 1992 and \$11,608 in fiscal 1993. Another decrease occurred during the special session, when the legislature reduced operating expenses by \$37,794 in fiscal 1992 and \$75,000 in fiscal 1993.

The grant budget decreased 56.1 percent at the request of the department.

Funding

Funding is entirely from the general fund.

BOARD OF HOUSING

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	14.00	14.00		14.00	14.00	14.00		14.00
Personal Services	378,437	378,437	27,583	406,020	377,779	377,779	44,246	422,025
Operating Expenses	1,503,434	1,503,434	0	1,503,434	1,584,016	1,584,016	0	1,584,016
Equipment	147,450	147,450	0	147,450	3,950	3,950	0	3,950
Total Costs	\$2,029,321	\$2,029,321	\$27,583	\$2,056,904	\$1,965,745	\$1,965,745	\$44,246	\$2,009,991
Fund Sources								
Proprietary Fund	2,029,321	2,029,321	27,583	2,056,904	1,965,745	1,965,745	44,246	2,009,991
Total Funds	\$2,029,321	\$2,029,321	\$27,583	\$2,056,904	\$1,965,745	\$1,965,745	\$44,246	\$2,009,991

Program Description

The Montana Board of Housing, which is administratively attached to the department, is responsible for helping provide decent, safe, sanitary, and affordable housing to lower income individuals and families. The board operates single-family home ownership and multi-family rental housing programs, both through the issuance of revenue bonds, and through the allocation of federal tax credits. The proceeds are made available to individuals, private enterprise, and governmental entities. The board also operates a Reverse Annuity Mortgage Loan program to assist elderly lower income homeowners. This seven-member board is appointed by the Governor.

Budget as Approved by the Regular 1991 Legislative Session

The budget increases 29.1 percent or \$456,884. The 17.3 percent increase in personal services occurs because of \$62,000 vacancy savings in fiscal 1990, the continuation of the 1991 pay plan in the 1993 biennium, and board per diem budgeted at the fiscal 1991 appropriated level, which is \$2,000 more than was actually spent in fiscal 1990. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$15,768 in fiscal 1992 and \$15,741 in fiscal 1993.

Operating expenses increase \$268,300 or 21.7 percent. Foreclosure fees are \$805,000 in fiscal 1992 and \$925,750 in fiscal 1993. This is an increase of \$111,750 in fiscal 1992 and \$232,500 in fiscal 1993 over fiscal 1990 actual expenditures. In addition, there are increases in: 1) contracted services for paying agent and trustee fees of \$58,000 and legal fees of \$6,300; 2) postage of \$3,000; 3) indirect costs of \$6,400; 4) maintenance contracts of \$21,000; 5) inflationary adjustments of \$38,500, and 6) increased audit costs

BOARD OF HOUSING

of \$700. Lastly, operating expenses increase \$18,400 annually because the budget is based on fiscal 1991 appropriated expenditures rather than fiscal 1990 actual expenditures.

The equipment budget is for a MicoVax System, word processor, and a printer.

Funding

Funding for the program is provided by an administrative charge applied to mortgages that the board finances.

INVESTMENTS DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	28.00	28.00		28.00	29.00	29.00		29.00
Personal Services	1,037,210	1,037,210	53,699	1,090,909	1,080,409	1,080,409	91,182	1,171,591
Operating Expenses	643,326	643,326	0	643,326	565,731	565,731	0	565,731
Equipment	36,000	36,000	0	36,000	12,000	12,000	0	12,000
Total Costs	\$1,716,536	\$1,716,536	\$53,699	\$1,770,235	\$1,658,140	\$1,658,140	\$91,182	\$1,749,322
Fund Sources								
Proprietary Fund	1,716,536	1,716,536	53,699	1,770,235	1,658,140	1,658,140	91,182	1,749,322
Total Funds	\$1,716,536	\$1,716,536	\$53,699	\$1,770,235	\$1,658,140	\$1,658,140	\$91,182	\$1,749,322

Program Description

The Board of Investments and its staff manage the Unified Investment program for public funds, required under Article VIII, Section 13. The program manages four investment portfolios: 1) the **Fixed Income** portfolio of over \$2 billion is the largest of the portfolios managed, consisting of the long-term debt held by the board; 2) the **Equity** portfolio consists of common stock worth over \$300 million; 3) the **Short Term Investment Pool (STIP)** portfolio consists of nearly \$700 million in securities with maturities of less than one year; and 4) the **Residential Loan and Commercial Loan** portfolio consists of over \$150 million of Montana residential and commercial loans. The board is also responsible for administration of several different programs which issue bonds for the purpose of assisting local governments, cities, and school districts, or providing funds to improve the state's economy. Programs administered by the board include the Economic Development Bond programs (Stand Alone and Pooled), Montana Conservation Reserve Payment Enhancement program, In-state Investment program, Municipal Consolidation Finance Act, and the Montana Cash Anticipation Finance program.

Budget as Approved by the Regular 1991 Legislative Session

There is a 2.0 FTE increase from fiscal 1990 to fiscal 1992 and an additional 1.0 FTE increase in fiscal 1993. These FTE increases are due to the budget modifications shown in the table at the agency level. The 9.6 percent increase in personal services is the result of: 1) the additional FTE for \$65,358 in fiscal 1992 and \$108,806 in fiscal 1993; 2) board authorized increases for exempt staff in excess of the 1991 pay plan for approximately \$22,000 per fiscal year; 3) the continuation of the fiscal 1991 pay plan for non-exempt

INVESTMENTS DIVISION

employees in the 1993 biennium; and 4) fiscal 1990 vacancy savings. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$43,217 in fiscal 1992 and \$45,016 in fiscal 1993.

Operating expenses increase 50.6 percent because: 1) \$152,000 was added in fiscal 1992 and \$174,700 in fiscal 1993 for the portfolio management of the Conservation Reserve Program (CRP); 2) \$20,500 per fiscal year was added because the budget is based on the fiscal 1991 appropriated level, rather than fiscal 1990 actual expenditures; 3) audit costs (which are budgeted in fiscal 1992 only) are \$46,000 higher than fiscal 1990 actual expenditures; 4) adjustments were made for inflation, indirect costs, and travel; and 5) budget modifications add \$2,479 in fiscal 1992 and \$5,170 in fiscal 1993. The decrease between fiscal 1992 and fiscal 1993 is the audit costs.

The equipment budget is for computer equipment and software.

Funding

Funding for the program is from two proprietary fund accounts. One receives revenues from the Industrial Bond account and the CRP program, and the other receives administrative costs from earnings on funds invested by the board.

MONTANA STATE LOTTERY

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	36.00	36.00		36.00	36.00	36.00		36.00
Personal Services	997,376	997,376	72,866	1,070,242	997,594	997,594	117,248	1,114,842
Operating Expenses	5,606,926	5,606,926	0	5,606,926	5,285,981	5,285,981	0	5,285,981
Equipment	0	0	0	0	55,500	55,500	0	55,500
Total Costs	\$6,604,302	\$6,604,302	\$72,866	\$6,677,168	\$6,339,075	\$6,339,075	\$117,248	\$6,456,323
Fund Sources								
Proprietary Fund	6,604,302	6,604,302	72,866	6,677,168	6,339,075	6,339,075	117,248	6,456,323
Total Funds	\$6,604,302	\$6,604,302	\$72,866	\$6,677,168	\$6,339,075	\$6,339,075	\$117,248	\$6,456,323

Program Description

The Montana Lottery program designs and markets lottery games which allow players to purchase chances at winning prizes. A five-member commission, appointed by the Governor, sets policy and oversees activities and procedures of the program. The Governor also appoints a program director who coordinates the lottery's marketing, operations, security, and administration. Under current law, revenue from lottery ticket sales are distributed with a minimum of 45 percent to prizes with the remaining net revenue, after commissions and operating expenses, transferred to the Office of Public Instruction (OPI) for distribution as state equalization aid to the public schools.

Budget as Approved by the Regular 1991 Legislative Session

Personal services increase by 1.0 FTE transferred from the Promotions program. The increase of 10.8 percent reflects the FTE transfer (approximately \$28,600 per fiscal year), vacancy savings realized in fiscal 1990 of approximately \$59,200, and the continuation of the fiscal 1991 pay plan in the 1993 biennium. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$41,557 in fiscal 1992 and \$41,566 in fiscal 1993.

Operating expenses decrease 41.2 percent as a net result of offsetting factors. Increases in the program budget for both current and modified levels are: 1) communications of \$206,567; 2) data processing related to Lotto America increase of \$276,852; 3) audit cost increases of \$101,361; and 4) an indirect cost increase of \$12,600. Offsetting these increases is a decrease in printing of \$23,000. In addition, fiscal 1990 included \$4,489,674 of prize expenditures from a statutory appropriation. These will be statutorily appropriated in the 1993 biennium and are not included in the operating expenditures in the table. The decrease from fiscal 1992 to fiscal 1993 is the audit costs of \$132,861 and a decrease in data processing costs of \$191,000. The data processing costs are in the modified budget.

The equipment budget is from the modified budgets discussed in the agency level narrative.

MONTANA STATE LOTTERY

The following table shows lottery revenue and its distribution for the fiscal years 1988 through 1990.

Table 2
Montana Lottery Revenue, Distribution and Ratios

	<u>Fiscal 1988</u>	<u>Fiscal 1989</u>	<u>Fiscal 1990</u>
<u>REVENUE</u>			
Ticket Sales	\$21,787,581	\$11,644,061	\$21,502,463
Other	5,900	3,600	11,524
Interest	0	0	25,773
Retained Earning	753,617	(139,435)	(29)
Total Revenue	\$22,547,098	\$11,508,226	\$21,539,731
<u>DISBURSEMENTS</u>			
Prizes	9,807,415	5,300,097	10,189,328
Commissions	1,210,074	669,313	1,352,477
Operating	3,275,128	2,763,240	5,828,528
Other	18,022	913	540
OPI	8,375,894	2,774,692	4,168,858
Total Expenses	\$22,686,533	\$11,508,255	\$21,539,731
<u>PROFIT</u>	(\$139,435)	(\$29)	\$0
<u>RATIOS</u>			
Op. Expenses/sales	0.1503	0.2373	0.2711
Prizes/sales	0.4501	0.4552	0.4739
Commissions/sales	0.0555	0.0575	0.0629
OPI/sales	0.3844	0.2383	0.1939

Funding

The program is funded by a proprietary fund account which receives its revenues from a portion of the lottery proceeds.

BOARD OF HORSE RACING

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	4.78	4.78		4.78	4.78	4.78		4.78
Personal Services	105,774	105,774	8,700	114,474	105,899	105,899	13,845	119,744
Operating Expenses	195,341	195,341	0	195,341	194,921	194,921	0	194,921
Equipment	2,000	2,000	0	2,000	2,000	2,000	0	2,000
Total Costs	\$303,115	\$303,115	\$8,700	\$311,815	\$302,820	\$302,820	\$13,845	\$316,665
Fund Sources								
State Revenue Fund	303,115	303,115	8,700	311,815	302,820	302,820	13,845	316,665
Total Funds	\$303,115	\$303,115	\$8,700	\$311,815	\$302,820	\$302,820	\$13,845	\$316,665

Program Description

The Board of Horse Racing program is responsible for regulating the horse racing industry, both live and simulcast. The program ensures compliance by the approximately 3,500 licensees with state laws and board rules. The board is responsible for the licensing of all racing personnel, establishment of race dates for various communities, establishments of veterinary practices and standards in connection with horse racing meets, and the auditing, supervision, and investigations related to the pari-mutuel racing system in Montana. The 1989 legislature expanded the scope of the Board of Horse Racing to include the licensing and regulation of simulcast horse racing.

Budget as Approved by the Regular 1991 Legislative Session

Personal services increase 2.6 percent, despite the transfer of: 1) 1.0 FTE to the Director/Management Services program at a cost savings of \$13,278 in fiscal 1992 and \$13,133 in fiscal 1993; and 2) \$32,345 in fiscal 1992 and \$32,586 in fiscal 1993 from personal services to operating expenses to pay contracted services for those hired during the horse racing season. These decreases are offset by vacancy savings in fiscal 1990 of approximately \$59,500. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$4,407 in fiscal 1992 and \$4,412 in fiscal 1993.

Operating expenses increase 56.3 percent due to: 1) the transfer of funds from personal services; 2) indirect cost increases of \$5,400 per year; 3) using fiscal 1991 appropriations as the budget base, rather than fiscal 1990 actual expenditures; and 4) audit and network fee increases.

The equipment budget is for office equipment.

BOARD OF HORSE RACING

Funding

Funding for the program is from a 1 percent tax on gross betting receipts from parimutuel betting or, for simulcast facilities, actual cost to the board for regulating the meet, whichever is greater.

DIRECTOR/MANAGEMENT SERVICES

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	22.84	22.84		22.84	22.84	22.84		22.84
Personal Services	706,480	706,480	43,596	750,076	705,926	705,926	69,728	775,654
Operating Expenses	224,914	224,914	0	224,914	145,775	145,775	0	145,775
Equipment	1,000	1,000	0	1,000	1,000	1,000	0	1,000
Total Costs	\$932,394	\$932,394	\$43,596	\$975,990	\$852,701	\$852,701	\$69,728	\$922,429
Fund Sources								
General Fund	104,004	104,004	4,378	108,382	103,820	103,820	7,053	110,873
Proprietary Fund	828,390	828,390	39,218	867,608	748,881	748,881	62,675	811,556
Total Funds	\$932,394	\$932,394	\$43,596	\$975,990	\$852,701	\$852,701	\$69,728	\$922,429

Program Description

The Director's Office and Management Services program consists of four areas. The Director's Office assists the department with executive, administrative, legal, and policy guidance. This office acts as the liaison among private business, local governments, administratively attached boards, public and private interest groups, the legislature, Indian tribes, individuals, and the Governor's office in the effort to improve and stabilize the economic climate in Montana. The Management Services Division provides internal support to all agency programs. Services provided include budgeting, accounting, purchasing, contracting, personnel administration, payroll, training, and the analysis, development, maintenance, and supervision of department data processing systems and hardware. Legal Services provide legal counsel to the department director and legal supervision and overview for all other agency attorneys. The Consumer Affairs unit provides information and assistance to Montana consumers regarding unfair methods of competition or deceptive acts in the conduct of any trade or commerce. The unit administers the Proprietary Post-secondary Schools program, which establishes minimum criteria for licensing and the "Lemon Law" statute when disputes arise between a purchaser and manufacturer of a new motor vehicle.

Budget as Approved by the Regular 1991 Legislative Session

FTE increase a net of 0.5 as a result of 1.0 FTE being transferred from the Board of Horse Racing and a 0.5 FTE being transferred to the Office of Research and Information Services program. The net increase in FTE increases costs by approximately \$13,700 per fiscal

DIRECTOR/MANAGEMENT SERVICES

year. The remainder of the increase is due to: 1) vacancy savings of approximately \$29,500 in fiscal 1990; and 2) the continuance of the fiscal 1991 pay plan. The legislature implemented a 4 percent across-the-board reduction in funding for personal services of \$29,436 in fiscal 1992 and \$29,413 in fiscal 1993.

Operating expenses increase 59.6 percent because: 1) audit fees are \$57,491 higher in fiscal 1992 than fiscal 1990 actual expenditures; 2) the budget was based on fiscal 1991 appropriated levels, which were \$17,200 higher than fiscal 1990 actual expenditures; and 3) of inflation and increased network costs. The audit cost (a biennial appropriation in fiscal 1992) is the reason for the decrease in operating costs from fiscal 1992 to fiscal 1993.

The equipment budget will allow for the purchase of a laser printer.

Funding

The Director/Management Services Program contains three programs which are financed with general fund and proprietary funds. The following table details the funding of each of these programs.

Table 3
Director/Management Services Funding, HB 2 Only

	FTE	Fiscal 1992			Fiscal 1993		
		General Fund	Proprietary Funds	Total Funds	General Fund	Proprietary Funds	Total Funds
Management Services	14.84		\$577,267	\$577,267		\$497,646	\$497,646
Consumer Protection	2.5	102,572		102,572	\$102,388		102,388
Director's Office	5.5	<u>1,432</u>	<u>251,123</u>	<u>252,555</u>	<u>1,432</u>	<u>251,235</u>	<u>252,667</u>
Total Funding	22.84	\$104,004	\$828,390	\$932,394	\$103,820	\$748,881	\$852,701

The general fund provides funding for the consumer protection unit and \$1,432 each fiscal year for the County Printing Board, which is administratively attached to the department. The remainder of the program is funded by indirect costs assessed to the other programs in the department.

BUDGET REDUCTION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	.00	.00		.00	.00	.00		.00
Personal Services	0	16,333-	0	16,333-	0	54,667-	0	54,667-
Total Costs	\$0	\$16,333-	\$0	\$16,333-	\$0	\$54,667-	\$0	\$54,667-
<u>Fund Sources</u>								
General Fund	0	16,333-	0	16,333-	0	54,667-	0	54,667-
Total Funds	\$0	\$16,333-	\$0	\$16,333-	\$0	\$54,667-	\$0	\$54,667-

During the 1992 special session, the legislature imposed the reduction in the agency's general fund budget shown in the table above. Section 6 of House Bill 2 allows the agency, with the approval of the approving authority as defined in Section 17-7-102, to determine the proportional share of the amount to be applied to each program.



MONTANA ARTS COUNCIL

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	7.97	7.97		7.97	7.97	7.97		7.97
Personal Services	225,935	225,935		240,655	225,578	225,578	23,527	249,105
Operating Expenses	218,371	212,891	14,720	212,891	202,902	196,404	0	196,404
Equipment	1,797	1,797	0	1,797	0	0	0	0
Grants	593,600	591,220	0	591,220	20,000	20,000	0	20,000
Total Costs	\$1,039,703	\$1,031,843	\$14,720	\$1,046,563	\$448,480	\$441,982	\$23,527	\$465,509
Fund Sources								
General Fund	139,513	131,653	3,796	135,449	121,921	11,558	6,099	17,657
State Revenue Fund	116,778	116,778	2,922	119,700	116,771	220,636	4,645	225,281
Federal Revenue Fund	783,412	783,412	8,002	791,414	209,788	209,788	12,783	222,571
Total Funds	\$1,039,703	\$1,031,843	\$14,720	\$1,046,563	\$448,480	\$441,982	\$23,527	\$465,509

Agency Description

As authorized by Section 22-2-101, MCA, the Montana Arts Council exists to encourage the study and presentation of the arts in Montana and to stimulate public interest and participation. It cooperates with public and private institutions engaged in artistic and cultural activities in all disciplines; recommends appropriate methods to encourage participation in and appreciation of the arts, which meet the needs and aspirations of persons in all parts of the state; fosters interest in the state's cultural heritage and expands the state's cultural resources; and encourages and assists freedom of artistic expression essential for the well-being of the arts through on-going programs and council initiated projects. Under Section 22-2-301, MCA, the council administers the Cultural & Aesthetic Projects biennial grants program, in which applications are reviewed by a citizens' advisory panel and final allocations are made by the legislature.

MONTANA ARTS COUNCIL

Special Session Action

		Executive Budget Proposal		Legislative Budget Action	
		=====		=====	
Description	Pgm	Fiscal 1992		Fiscal 1993	
		General Fund	Other Funds	General Fund	Other Funds
House Bill 2					
1 Funding Switch - HB 13	01				\$103,865
2 Service Reductions	01	(\$7,860)		(\$7,860)	
				(\$6,498)	
				(\$103,865)	
				(\$110,363)	\$103,865
			</		

1) Funding Switch - House Bill 13 - House Bill 2 appropriates coal tax funds of \$103,865 in fiscal 1993 only for Arts Council operations. The use of these funds to replace a like amount of general fund was authorized by House Bill 13, which diverted the flow of coal tax revenue from the nonexpendable trust for the arts to Arts Council operations.

2) Service Reductions - The legislature adopted the Executive Budget proposal to reduce general fund appropriations for the Arts Council by \$7,860 in fiscal 1992 and \$6,498 in fiscal 1993 as follows: 1) contracted services reductions of \$3,480 in fiscal 1992 and \$6,498 in fiscal 1993; 2) a \$2,000 reduction in the Artists in the Schools program in fiscal 1992 only; and 3) a \$2,380 reduction in grants to local communities in fiscal 1992 only. The reductions are 5.5 percent of the total general fund appropriated to the Arts Council by the 1991 legislature for fiscal 1992 and 5.1 percent of the general fund appropriated for fiscal 1993.

Budget as Approved by the Regular 1991 Legislative Session

No vacancy savings is applied to the personal services budget of the Montana Arts Council during the 1993 biennium. Personal services increase 6.0 percent from fiscal 1990 to fiscal 1992 due to the continuation of the fiscal 1991 pay plan increase in the 1993 biennium and vacancy savings that occurred in fiscal 1990.

MONTANA ARTS COUNCIL

Funding

Approximately 26 percent of the operating budget is funded from the general fund. The legislature approved \$66,778 for fiscal 1992 and \$66,771 for fiscal 1993 of interest from the Parks Acquisition Trust Fund for the purpose of administering the Cultural and Aesthetic grants and the cost of the advisory council (Section 22-2-304, MCA). The legislature appropriated \$50,000 each year of community match funds (state special) used to pay artists participating in the Artist in the Schools program. Federal funds are received from the National Endowment for the Arts. The legislature appropriated \$209,812 in fiscal 1992 and \$209,788 in fiscal 1993 of these federal funds for operations and \$573,600 of these federal funds as a biennial appropriation for grants.

Other Legislation

HB 9 - Cultural & Aesthetic Grant Awards - The legislature appropriated \$1,296,080 to the Montana Arts Council in grants awarded to various recipients throughout the state (see Long Range Planning section of this report). The Arts Council is responsible for monitoring the distribution of these grants. Included among these grants are two which are to fund programs of the Montana Arts Council: \$50,000 for the Montana Folklife program and \$35,000 for the Rural Arts Organization and Development and the Artists in Schools program.

HB 13, Special Session I - Coal Tax for Arts Council Operations - The legislature diverted the flow of coal tax revenue from the nonexpendable trust for the arts to Arts Council operations. This diversion for fiscal 1993 only replaces general fund of \$103,865 in the Arts Council budget.

LIBRARY COMMISSION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	29.50	29.50		29.50	29.50	29.50		29.50
Personal Services	756,552	749,260		802,560	755,742	749,539	85,710	835,249
Operating Expenses	527,993	493,732	53,300	493,732	491,262	475,834	0	475,834
Equipment	149,434	130,344	0	130,344	152,506	142,856	0	142,856
Grants	1,890,012	1,826,055	0	1,826,055	367,148	367,148	0	367,148
Transfers	650,000	650,000	0	650,000	0	0	0	0
Total Costs	\$3,973,991	\$3,849,391	\$53,300	\$3,902,691	\$1,766,658	\$1,735,377	\$85,710	\$1,821,087
Fund Sources								
General Fund	1,254,844	1,130,244	44,822	1,175,066	993,036	961,755	71,992	1,033,747
State Revenue Fund	403,873	403,873	8,349	412,222	390,345	390,345	13,589	403,934
Federal Revenue Fund	2,315,274	2,315,274	129	2,315,403	383,277	383,277	129	383,406
Total Funds	\$3,973,991	\$3,849,391	\$53,300	\$3,902,691	\$1,766,658	\$1,735,377	\$85,710	\$1,821,087

Agency Description

As authorized in Title 22, Chapter 1, MCA, the Montana State Library is responsible for providing assistance and advice to all tax-supported libraries and to citizens and local governments that may wish to establish and improve libraries. It administers certain state and federal funding to libraries throughout Montana. It administers the State Library, which: 1) provides information service to state government; 2) provides referral and back-up service to all libraries in the state; 3) provides direct library service to all blind and physically handicapped Montana residents; 4) is responsible for distribution centers of state documents; 5) is responsible for the Natural Resource Information System and the Natural Heritage Program under Section 90-15-101, MCA; and 6) aids in the development of library services statewide. It also oversees the six federations of libraries and does policy development, long-range planning, and coordination of library service throughout the state.

LIBRARY COMMISSION

Special Session Action

		Executive Budget Proposal		Legislative Budget Action	
		=====		=====	
Description	Pgm	Fiscal 1992		Fiscal 1993	
		General Fund	Other Funds	General Fund	Other Funds
House Bill 2					
1 State Aid to Libraries	01	(\$63,957)			
2 State Library Operations	01	(\$60,643)		(\$63,957)	
				<u>(\$60,643)</u>	<u>(\$31,281)</u>
				(\$124,600)	
				(\$62,562)	
				(\$124,600)	

1) State Aid to Libraries - The legislature adopted the Executive Budget proposal to reduce the \$258,621 general fund budget modification for local library assistance by \$63,957 or 24.7 percent. However, this reduction represents 8.0 percent of the total general fund grants appropriated for the biennium, and it leaves 1992 biennium general fund grants 30.4 percent above the 1991 biennium level.

2) State Library Operations Reductions - The legislature adopted the Executive Budget proposal to reduce State Library operations general fund appropriations by \$60,643 in fiscal 1992. However, the legislature reduced operations by \$31,281 in fiscal 1993, or one-half the \$62,562 reduction proposed in the Executive Budget. These reductions are: 1) fiscal 1992 - \$7,292 in personal services, \$34,261 in operating expenses, and \$19,090 in equipment, and 2) fiscal 1993 - \$6,203 in personal services, \$15,428 in operating expenses, and \$9,650 in equipment. The reductions are 7.7 percent of the total general fund appropriated by the 1991 legislature for operations in fiscal 1992 and 4.0 percent of the fiscal 1993 appropriations.

Budget as Approved by the Regular 1991 Legislative Session

Despite the vacancy savings reduction of 2 percent applied to the agency during the 1993 biennium, personal services increase 12.5 percent over fiscal 1990 due to: 1) the addition of 1.0 FTE to the Library for the Blind and Physically Handicapped; 2) vacancy saving

LIBRARY COMMISSION

that occurred in 1990; and 3) the continuation of the fiscal 1991 pay plan increase in the 1993 biennium. Offsetting the addition of 1.0 FTE is the reduction of 0.26 FTE due to the completion in fiscal 1990 of an appropriation from private Kellogg Foundation funds.

Operating expenses increase by 12.5 percent from fiscal 1990 to fiscal 1992 primarily as a result of: 1) the addition of a biennial appropriation of \$25,162 to support state assistance to local libraries in fiscal 1992; 2) an additional \$2,000 per year for the library for the blind and physically handicapped; 3) increased audit costs of \$4,000; 4) increased Western Library Network fees of \$7,500; 4) \$2,000 for increased travel for commission members; 5) increased contracts with library network services of \$3,500; 6) increased network fees of \$4,000; and 7) increased printing and photocopy costs of \$5,500.

Equipment includes: 1) \$3,790 for office equipment; 2) \$10,000 for library network terminals in fiscal 1992; 3) \$4,700 for personal computers; and 4) \$1,300 in fiscal 1993 for office equipment. The budget for books and periodicals increased from \$102,700 in 1990 to \$130,600 in fiscal 1992 and \$146,506 in fiscal 1993.

Grants include: 1) \$283,000 general fund per year for continuation of state assistance to local libraries provided in House Bill 193 of the 51st Legislature; 2) \$233,459 for a general fund biennial appropriation for state assistance to local libraries; 3) \$87,077 in fiscal 1992 and \$84,148 in fiscal 1993 from coal tax revenue; and 4) \$1,286,476 as a biennial appropriation of federal funds passed through to local libraries and library federations.

The legislature also approved a \$650,000 biennial appropriation from federal and private funds with Legislative Contract Authority (LCA) for the Natural Resource Information System (NRIS). This appropriation, budgeted as a transfer, will enable the NRIS to utilize funds received through contracts with federal agencies and private sources without going through the budget amendment process. There are reporting requirements tied to this appropriation, and the legislative intent is that it not to be considered as current level in future budget requests.

Summary of Budget Modifications

	PGM	FTE	FY 1992-		FY 1993-		Other Funds		FTE	General Fund		Other Funds	
			General Fund		General Fund								
1 Library for Blind/Handicapped	01	1.00	\$ 22,319						1.00	\$19,097			
2 Library of Congress Dues	01		1,500							3,000			
3 State Aid to Libraries	01		194,664										
4 Western Lib. Network Terminals	01				\$ 10,000								
5 NRIS Contract Authority	07				650,000								
Totals		1.00	\$218,483		\$660,000				1.00	\$22,097			

LIBRARY COMMISSION

- 1) Library for Blind & Physically Handicapped - This modification adds 1.0 FTE and \$41,416 general fund during the 1993 biennium to the library for the blind and physically handicapped. This library has experienced a 93 percent increase in the number of books loaned and a 36 percent increase in the number of users over the last 10 years.
- 2) Library of Congress Dues - This modification adds \$1,500 in fiscal 1992 and \$3,000 in fiscal 1993 to pay the dues required for the State Library to have access to the Library of Congress computer data system. The State Library will evaluate the value of participating in this system during the biennium and will report to the 1993 legislature.
- 3) State Aid to Libraries (biennial appropriation) - This modification, after action by Special Session I, increases the amount of general fund assistance to the local libraries by \$194,664. Of this amount, \$25,162 will be used for library administration and the remaining \$169,502 will be awarded to local libraries as grants distributed on a per capita/per square mile basis.
- 4) Western Library Network Terminals - The legislature appropriated \$10,000 from the coal tax revenues earmarked to the library to purchase new computer terminals which will be used on the Western Library Network interlibrary access system.
- 5) NPIS Contract Authority - The legislature authorized a biennial appropriation of \$650,000 for legislative contract authority to enable the Natural Resource Information System (NPIS) to enter into contracts with federal agencies and private interests and spend the funding available from these contracts without a budget amendment. The agency may establish FTE if necessary to carry out the scope of these contracts.

Funding

General fund has increased by 106.4 percent from 1990 to 1992 due primarily to three factors: 1) the budget modification for the library for the blind and physically handicapped; 2) increased state assistance to local libraries; and 3) increased personal services, including the fiscal 1992 pay plan. State special funds have gone down due to the declining revenues from the coal tax. Federal funds increase over fiscal 1990 to anticipated revenue levels and federal legislative contract authority in the NPIS program.

Other Legislation

HB 6 - Water Development Grants - The legislature awarded the Montana State Library a water development grant of \$58,364 to develop a drought monitoring system with the NPIS program. This grant is appropriated to the Department of Natural Resource and Development but will be passed through to the Library. The appropriations in HB 6 are described in further detail in the Long Range Planning section of this report.

STATE LIBRARY OPERATIONS

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	25.50	25.50		25.50	25.50	25.50		25.50
Personal Services	649,384	642,092	44,822	686,914	648,487	642,284	71,992	714,276
Operating Expenses	388,848	354,587	0	354,587	352,206	336,778	0	336,778
Equipment	144,434	125,344	0	125,344	147,506	137,856	0	137,856
Grants	1,890,012	1,826,055	0	1,826,055	367,148	367,148	0	367,148
Total Costs	\$3,072,678	\$2,948,078	\$44,822	\$2,992,900	\$1,515,347	\$1,484,066	\$71,992	\$1,556,058
Fund Sources								
General Fund	1,254,844	1,130,244	44,822	1,175,066	993,036	961,755	71,992	1,033,747
State Revenue Fund	167,431	167,431	0	167,431	153,905	153,905	0	153,905
Federal Revenue Fund	1,650,403	1,650,403	0	1,650,403	368,406	368,406	0	368,406
Total Funds	\$3,072,678	\$2,948,078	\$44,822	\$2,992,900	\$1,515,347	\$1,484,066	\$71,992	\$1,556,058

Program Description

The Library Operations Program provides information services to state government and provides referral and back-up services to all libraries in the state. This program administers the state documents depository system and also functions as a partial depository for federal government publications. Because of the central role of its collection, the State Library works to coordinate the development of library collections throughout the state. Overall administration handles the budgetary, personnel, and coordination functions of the State Library. Staff consultation and services are provided to individual libraries, and direction is given to the six federations of libraries throughout Montana. Public library services for blind, visually and physically handicapped Montanans who are unable to read standard print are provided by the Montana State Library for the Blind and Physically Handicapped.

STATE LIBRARY OPERATIONS

Special Session Action

During the January 1992 special session, the legislature reduced general fund appropriations for state aid to libraries and library operations, as discussed in the agency sector entitled Special Session Action.

Language

"[Library of Congress Dues] may not be included in the current level base in the agency budget request for the 1995 biennium."

"In the event coal severance tax allocated to the state library under 15-35-108(3)(f) exceeds the amounts appropriated to the state library for fiscal 1992 and 1993, the additional funds are appropriated to the State Library Commission for pass through to the library federations."

Budget as Approved by the Regular 1991 Legislative Session

Despite a vacancy savings rate of 2 percent, personal services increase 13.8 percent due to: 1) vacancy savings that occurred in fiscal 1990; 2) the continuation of the fiscal 1991 pay plan in the 1993 biennium; and 3) the addition of 1.0 FTE to the library for the blind and physically handicapped. Offsetting the addition of 1.0 FTE is the reduction of 0.21 FTE due to the completion in fiscal 1990 of an appropriation from private Kellogg Foundation funds.

Operating expenses increase by 21.4 percent from fiscal 1990 to fiscal 1992 as a result of: 1) a \$25,162 biennial appropriation to support state assistance to local libraries in fiscal 1992; 2) \$2,000 added to the library for the blind and physically handicapped; 3) increased audit costs of \$4,000; 4) Western Library Network fees of \$7,500; 5) \$2,000 for increased travel for commission members; 6) increased contracts with library network services of \$3,500; 7) increased network fees of \$4,000; 8) increased printing and photocopy costs of \$5,500; 9) increased communications costs of \$5,000; and 10) increased rent to the Department of Administration of \$10,000.

The budget for books and periodicals was increased from the 1990 level of \$102,753 to \$130,644 in fiscal 1992 and \$146,506 in fiscal 1993. Office equipment was approved at \$13,790 for fiscal 1992 and \$1000 in fiscal 1993.

Grants for the 1993 biennium include: 1) \$87,077 in fiscal 1992 and \$84,148 in fiscal 1993 from coal severance tax collections; 2) \$200,000 each year of general fund for interlibrary loans; 3) \$83,000 general fund each year for grants to library federations on a \$1,000 per library basis; 4) \$233,459 biennial general fund appropriation for state grants to local libraries based on a per capita/per sq. mile basis; and 5) \$1,286,476 as a biennial appropriation from federal funds.

STATE LIBRARY OPERATIONS

Funding

Approximately 60 percent of the cost of the Library Operations program, including pay plan, is funded from the general fund. General fund increases are due primarily to the budget modifications and continuation of state assistance to local libraries. The coal tax revenues earmarked to the Library Commission under Section 15-35-108, MCA, are to be used for the costs associated with interlibrary networking and grants to library federations. Federal funds of approximately \$370,000 each year are used within the library commission for operations. The remainder of federal funds consist of grants to local libraries and federal library construction funds.

NATURAL RESOURCE INFORMATION SERVICES

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	4.00	4.00		4.00	4.00	4.00		4.00
Personal Services	107,168	107,168	8,478	115,646	107,255	107,255	13,718	120,973
Operating Expenses	139,145	139,145	0	139,145	139,056	139,056	0	139,056
Equipment	5,000	5,000	0	5,000	5,000	5,000	0	5,000
Transfers	650,000	650,000	0	650,000	0	0	0	0
Total Costs	\$901,313	\$901,313	\$8,478	\$909,791	\$251,311	\$251,311	\$13,718	\$265,029
<u>Fund Sources</u>								
State Revenue Fund	236,442	236,442	8,349	244,791	236,440	236,440	13,589	250,029
Federal Revenue Fund	664,871	664,871	129	665,000	14,871	14,871	129	15,000
Total Funds	\$901,313	\$901,313	\$8,478	\$909,791	\$251,311	\$251,311	\$13,718	\$265,029

Program Description

The Natural Resource Information Services Program is designed to streamline management of the state's natural resource data and provide a standard system for the acquisition, storage, and retrieval of data statewide. It inventories existing data, provides access to data, and assists other state agencies in managing data. It is responsible for coordinating and consulting with other state agencies on the geographic information system and the rivers' study. This program also provides a water information system database. The program also administers the Montana natural heritage program, a database on rare or exemplary plants, animals, communities, and geological features.

Language

"The biennial appropriation for the [legislative contract authority] is subject to the following provisions:

- (1) Legislative contract authority applies only to federal and private funds.

NATURAL RESOURCE INFORMATION SERVICES

- (2) Legislative contract authority expenditures must be reported on state accounting records. The records must be separate from current level operations.
- (3) A report must be submitted by the Library Commission to the Legislative Fiscal Analyst following the end of each fiscal year of the biennium. The report must include a listing of projects with the related amount of expenditures for each project."

Budget as Approved by the Regular 1991 Legislative Session

The fiscal 1990 actual figures shown do not represent the total operating costs of this program because, in addition to the funds appropriated in the general appropriations bill, the NRIS program received grants from the renewable resource grant program, which is funded with 8.0 percent of resource indemnity trust fund interest earnings. These grants have historically been the primary funding source of the program. Since RIT grants are appropriated for the biennium only, they are not considered current level funding base.

In order to provide the NRIS program with a funding source which would provide continuity from biennium to biennium, the legislature appropriated \$186,873 in fiscal 1992 and \$186,872 in fiscal 1993 from the RIT interest, \$49,569 in fiscal 1992 and \$49,568 in fiscal 1993 of Fish, Wildlife, and Parks state special funds, and \$14,871 each year of federal funds. This will provide a stable funding source for the NRIS program and will establish an operating base which will be included in the general appropriation bill each session. The legislature also appropriated \$650,000 as a biennial appropriation in Legislative Contract Authority from federal and private sources which, for budget purposes, is shown as a transfer.

The NRIS budget includes 4 FTE for each year of the 1993 biennium. Operating expenses of \$139,145 include \$123,000 in contracts with non-profits. Budgeted equipment includes \$3,700 for computer hardware and \$1,300 for software.

Funding

The legislature appropriated from three primary funding sources for the NRIS program. These are: 1) RIT interest of \$186,873 for fiscal 1992 and \$186,872 for fiscal 1993; 2) Fish, Wildlife, and Parks state special funds of \$49,569 for fiscal 1992 and \$49,568 for fiscal 1993; and 3) Federal funds of \$14,871 per year. In addition, the legislature appropriated \$650,000 of legislative contract authority as a biennial appropriation for funds received from federal or private contracts.

HISTORICAL SOCIETY

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	47.88	47.88		47.88	47.88	47.88		47.88
Personal Services	1,262,057	1,270,413		1,358,462	1,260,963	1,263,208	141,353	1,404,561
Operating Expenses	818,249	803,861	88,049	803,861	788,171	774,296	0	774,296
Equipment	61,524	36,249	0	36,249	20,757	20,482	0	20,482
Grants	350,000	350,000	0	350,000	350,000	350,000	0	350,000
Transfers	48,069	48,069	0	48,069	48,439	48,439	0	48,439
Total Costs	\$2,539,899	\$2,508,592	\$88,049	\$2,596,641	\$2,468,330	\$2,456,425	\$141,353	\$2,597,778
Fund Sources								
General Fund	1,272,078	1,234,253	59,947	1,294,200	1,227,647	1,207,248	96,154	1,303,402
State Revenue Fund	136,106	104,397	3,936	108,333	135,716	103,279	6,319	109,598
Federal Revenue Fund	627,563	634,081	12,749	646,830	599,100	607,59	20,616	628,210
Proprietary Fund	504,152	535,861	11,417	547,278	505,867	538,304	18,264	556,568
Total Funds	\$2,539,899	\$2,508,592	\$88,049	\$2,596,641	\$2,468,330	\$2,456,425	\$141,353	\$2,597,778

Agency Description

The Montana Historical Society exists for the: 1) use, learning, culture, and enjoyment of the citizens of the state; and 2) collection, preservation and interpretation of Montana's material culture including artifacts, art, documents and records. The society maintains a library, an art gallery, a museum, and historical exhibits; publishes the state historical magazine, a newsletter and other historical works; and provides educational information for travelers and the general public. The agency also administers the National Historic Preservation Act and the State Antiquities Act. The Historical Society was established in 1865 and is authorized in Section 22-3-101, MCA.

HISTORICAL SOCIETY

Special Session Action

		Executive Budget Proposal			Legislative Budget Action		
		=====			=====		
Description	Pgm	Fiscal 1992	Fiscal 1993	Fiscal 1992	Fiscal 1993	Fiscal 1992	Fiscal 1993
		General Fund	General Fund	General Fund	General Fund	Other Funds	Other Funds
House Bill 2							
1 Reduce Capitol Tours	01	(\$3,724)	(\$3,022)		(\$3,724)		(\$3,022)
2 Vacancy Savings/Travel	02	(2,014)	(2,325)		(2,014)		(2,325)
3 Electronic Security	03	(25,000)			(25,000)		
4 Eliminate Tour Guide/Travel	03	(16,790)	(22,739)		(16,790)		(22,739)
5 Historic Sites Funding Switch	06	(6,518)	(8,494)	8,494	(6,518)	6,518	(8,494)
6 Restore Vacancy Savings	NA				16,221		16,181
7 St. Spec./Prop. Fund Switch*	NA						
Grand Totals		(\$54,046)	(\$36,580)	\$8,494	(\$37,825)	\$6,518	(\$20,399)
							\$8,494

* State special to proprietary funding switch - \$27,588 in fiscal 1992 and \$28,316 in fiscal 1993

1) Reduce Capitol Tours - The legislature reduced the appropriation for capitol tours in the Administration program by \$3,724 in fiscal 1992 and \$3,022 in fiscal 1993. These reductions are 14.4 percent of fiscal 1992 and 11.7 percent of the fiscal 1993 general fund appropriated by the 1991 legislature for capitol tours.

2) Vacancy Savings/Travel - The legislature adopted the Executive Budget proposal to increase vacancy savings and reduce travel by \$2,014 in fiscal 1992 and \$2,325 in fiscal 1993.

3) Electronic Security - The legislature adopted the Executive Budget proposal to reduce a \$30,000 budget modification for museum security equipment by \$25,000. As of November 30, 1991, \$4,775 had been spent.

HISTORICAL SOCIETY

- 4) Eliminate Tour Guide/Travel - The legislature adopted the Executive Budget proposal to eliminate a tour guide for the Original Governor's Mansion tours and cancel rotating and new travel exhibits, resulting in general fund reductions of \$16,790 in fiscal 1992 and \$22,739 in fiscal 1993.
- 5) Historical Sites Funding Switch - The legislature adopted the Executive Budget proposal to replace general fund of \$6,518 with a like amount of federal Administration Jobs Bill funds in the Historic Sites Preservation program in fiscal 1992. The legislature adopted a similar funding switch of \$8,494 for fiscal 1993.
- 6) Restore Vacancy Savings - The legislature appropriated \$16,221 in fiscal 1992 and \$16,181 in fiscal 1993 to restore the general fund portion of the 2 percent vacancy savings imposed by the 1991 legislature. The entire amount is appropriated to the Administration program, but the legislature included language that allows the Historical Society to transfer these funds between programs.
- 7) State Special/Proprietary Funding Switch - The legislature adopted the Executive Budget proposal to reclassify funds earned from the sale of photographic/photo copies from state special funds to proprietary funds in the Library and Museum programs. The funding switches are: 1) \$27,588 in fiscal 1992 and \$28,316 in fiscal 1993 in the Library program; and 2) \$4,121 each year of the biennium in the Museum program. Because this funding switch does not affect general fund, it is not reflected in the legislative action table above, but the action is reflected in House Bill 2.

Language

"...\$16,221 in fiscal 1992 and \$16,181 in fiscal 1993 are to offset vacancy savings that will revert to the general fund if not needed to pay personnel costs during the biennium. The agency has the authority to move these funds between programs by transfer to meet the expenses experienced."

"The proprietary authority for a statutorily required transfer of general fund money in the magazine program must be increased by the same amount as the pay plan increase for FTEs supported by general fund."

Budget as Approved by the Regular 1991 Legislative Session

The number of FTE decreases by 1.4 from fiscal 1990 to fiscal 1992 due to: 1) 1.0 FTE associated with a one-time appropriations which ended in fiscal 1991 is not continued into the 1993 biennium; and 2) the transfer of the funding of a 0.4 FTE maintenance worker from general fund to the accommodations tax statutory appropriation. Since the accommodations tax is statutorily appropriated, it is not included in House Bill 2.

HISTORICAL SOCIETY

Despite the removal of 1.4 FTE from the current level budget and the 2 percent personal services imposed on all agency staff during the 1993 biennium, total personal services increase 7.0 percent from fiscal 1990 to fiscal 1992 as a result of: 1) vacancy savings which occurred in fiscal 1990; and 2) continuation of the fiscal 1991 pay plan increase in the 1993 biennium.

Operating expenses increase from fiscal 1990 to fiscal 1992 by 12.7 percent due to: 1) a \$60,000 increase in the cost of goods purchased for resale; 2) a \$38,000 increase in contracted services (primarily in the area of consulting services and audit fees) budgeted in fiscal 1992; and 3) an additional \$7,654 for travel for members of the citizen board.

Equipment for fiscal 1992 includes: 1) \$30,000 for security equipment for the museum; 2) \$5,845 for office equipment; 3) \$10,260 for books; and 4) \$15,419 for computer equipment. For fiscal 1993 equipment includes: 1) \$5,845 for office equipment; 2) \$10,774 for books; and 3) \$4,138 for computers.

Grants of \$350,000 each year from federal funds are awarded to local governments for historic sites preservation and restoration. The transfer reflects the general fund support for the publication Montana, the Magazine of Western History. General fund is transferred into the proprietary account from which the magazine operates, in accordance with accounting principles.

Summary of Budget Modifications

		FY 1992-		FY 1993-			
PGM	FTE	General Fund	Other Funds	FTE	General Fund	Other Funds	
1 Trustees Reimbursement	01	\$ 7,654			\$ 7,654		
2 Capitol Tour Guides	01	27,105		1.50	22,816		
3 Museum Security	03		\$ 5,000				
4 Merchandise Authority	04		30,000				\$30,000
5 Milwaukee Road Disturbance	04		13,500				
6 Computers/Federal	06		11,400				
Totals	1.50	\$34,759	\$59,900	1.50	\$30,470		\$30,000

1) Trustees Reimbursement - The Montana Historical Society is overseen by a 15-member citizen board, which meets at least four times each year and more frequently if called. The legislature approved this budget modification of \$7,654 each year of the 1993 biennium

HISTORICAL SOCIETY

from the general fund to provide funding to reimburse members of the board for their travel expenses, including meals, mileage, and lodging, as well as honoraria of \$50 per meeting day per member.

In the 1991 biennium, the society did not have an appropriation for this purpose. Currently, several members of the board are submitting travel expense claims for each meeting. Payments (which totaled \$1,668 in fiscal 1990) were made from the director's travel budget. No claims for travel reimbursement were made in either fiscal 1988 or fiscal 1989. The society has made no honoraria payments.

2) Capitol Tour Guides - During the 1991 biennium, the legislature funded 1.5 FTE for the capitol tour guides from the accommodations tax revenue which is statutorily appropriated to the Historical Society. Because use of these funds for this purpose was questioned by the Legislative Auditor, the 1991 legislature appropriated general fund for the 1993 biennium. While this modification changes the funding for 1.5 FTE, it does not result in an increased FTE. The January 1992 special session reduced the general fund appropriation from \$25,829 to \$22,105 in fiscal 1992 and from \$25,838 to \$22,816 in fiscal 1993.

3) Museum Security - The budget approved by the 1991 legislature included \$30,000 general fund in fiscal 1992 to purchase and install 16 video cameras and five hand-held radios with base station and charger to increase security in the museum. Two of the cameras would be placed in the Charles M. Russell collection, one in the gallery, and the remainder in the Montana Homeland exhibit. The radios would be used while security personnel are patrolling the facility. In the January 1992 special session, the legislature reduced that appropriation to the \$5,000 cost of equipment that had been purchased by November 30, 1991.

4) Merchandise Authority - A portion of the Publication program's budget is funded with revenue from the sale of merchandise. In prior years, sales have exceeded the original appropriated authority and the society has added authority via the budget amendment process. The legislature approved additional authority of \$30,000 each year in proprietary funds to purchase additional merchandise for resale and for increased postage.

5) Milwaukee Road Disturbance Mitigation - Federal historic preservation laws require the federal Highway Administration through the Montana Department of Highways (DOH) to avoid or mitigate loss to significant historic or prehistoric resources. The Montana Historical Society has entered into an agreement with DOH to research, write, publish, and distribute a booklet on the Milwaukee Railroad line and its impact on Montana history. DOH has agreed to provide \$15,000 of federal funds for this purpose. In fiscal 1991, the society spent \$1,500 added by a budget amendment for project start-up. The legislature approved authority for the remaining \$13,500 of federal funds for completion and distribution of the booklet.

6) Computer Purchase - State law requires that the state's historic preservation officer conduct an ongoing statewide survey to identify and document heritage properties and paleontological remains and that a state inventory file (database) be maintained. If federal funds are involved in the completion of a project (such as highway construction), the area must be surveyed for possible historic and prehistoric resources so that the potential impact on those resources can be mitigated. The legislature approved this budget modification to add \$11,400 in federal funds from the National Parks Service to purchase computer equipment that would allow daily

HISTORICAL SOCIETY

access by the federal government and other interested parties to the state's historic preservation database. The equipment would also be used for word processing and other functions.

Funding

Approximately 50 percent of the Historical Society budget is funded by general fund. Other funding sources include federal National Park Service funds, state special revenue funds from donations and trust fund interest earnings, and proprietary funds generated by the sales of various publications and museum store sales. The general fund increases from fiscal 1990 to fiscal 1992 result from increased personal services, including the pay plan. The decline in the state special revenue funds results from the elimination of one-time appropriations and the removal of the statutory appropriation. Proprietary funds are increased to anticipated operating requirements.

Other Legislation

HB 9 - Cultural & Aesthetic grants - The Historical Society is a recipient of a \$73,400 biennial grant from the Cultural and Aesthetics grants program for the Oral History office. While these funds are appropriated directly to the Montana Arts Council, the Historical Society will receive an administrative appropriation to administer this grant.

ADMINISTRATION PROGRAM

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	13.50	13.50		13.50	13.50	13.50		13.50
Personal Services	354,620	369,325		393,572	354,166	369,000	38,757	407,757
Operating Expenses	274,240	272,032	24,247	272,032	260,003	258,328	0	258,328
Total Costs	\$628,860	\$641,357	\$24,247	\$665,604	\$614,169	\$627,328	\$38,757	\$666,085
<u>Fund Sources</u>								
General Fund	512,706	525,203	19,198	544,401	498,553	511,712	30,601	542,313
State Revenue Fund	82,762	82,762	2,938	85,700	82,233	82,233	4,732	86,965
Federal Revenue Fund	33,392	33,392	2,111	35,503	33,383	33,383	3,424	36,807
Total Funds	\$628,860	\$641,357	\$24,247	\$665,604	\$614,169	\$627,328	\$38,757	\$666,085

Program Description

The Administration program provides supervision, administration, and coordination of the five programs in the Historical Society. Program staff are responsible for the effective management, planning, direction, and leadership of the society as a whole. Activities include public information, payroll/personnel, fund raising, financial reporting, business management, security and building management. In addition, the program provides tours and travelling exhibits for the public.

Special Session Action

During the January 1992 special session, the legislature restored the Historical Society vacancy savings and reduced general fund appropriations for capitol tours as noted in the above agency section entitled Special Session Action.

ADMINISTRATION PROGRAM

Budget as Approved by the Regular 1991 Legislative Session

The number of FTE in this program decrease 1.88 because: 1) the assistant director position was transferred to the Library program; and 2) two part-time positions (a 0.50 grade 7 administrative aide and a 0.38 grade 6 shipping clerk) were transferred to the Magazine program.

Reductions in operating expenses from fiscal 1990 to fiscal 1992 result from the termination of a \$39,140 federal National Endowment for the Humanities grant in fiscal 1990. Significant offsetting additions in fiscal 1992 include: 1) inflationary adjustments of \$4,251; 2) insurance and bond increases of \$2,818; 3) audit costs of \$16,707 for the 1993 biennium (while only \$1,622 in audit costs were expended in fiscal 1990); 4) Department of Administration rent increased by \$5,133; and 5) an additional \$7,654 for travel expenses of the Historical Society's citizen board.

Funding

The capitol tour guides will be funded from the general fund for the 1993 biennium. These positions had been funded from the accommodation tax revenues during the 1991 biennium. Over 80 percent of the administration program is funded with general fund. Other funding sources include donated funds of approximately \$83,000 per year and \$33,392 in fiscal 1992 and \$33,383 in fiscal 1993 of federal funds as indirect costs from National Park Service grants.

LIBRARY PROGRAM

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	13.50	13.50		13.50	13.50	13.50		13.50
Personal Services	360,210	359,196	23,592	382,788	360,311	358,986	37,716	396,702
Operating Expenses	56,536	55,536	0	55,536	56,415	55,415	0	55,415
Equipment	11,260	11,260	0	11,260	11,774	11,774	0	11,774
Total Costs	\$428,006	\$425,992	\$23,592	\$449,584	\$428,500	\$426,175	\$37,716	\$463,891
Fund Sources								
General Fund	398,270	396,256	22,594	418,850	398,625	396,300	36,129	432,429
State Revenue Fund	29,736	2,148	998	3,146	29,875	1,559	1,587	3,146
Proprietary Fund	0	27,588	0	27,588	0	28,316	0	28,316
Total Funds	\$428,006	\$425,992	\$23,592	\$449,584	\$428,500	\$426,175	\$37,716	\$463,891

Program Description

The Library program's purpose is to acquire, organize, preserve, and make accessible to the public published materials, historic records and manuscripts, photographs, and oral history illustrative of the history of Montana, the surrounding region, and the Trans-Mississippi West; and to assist researchers seeking information in these areas. The program is provided for in Section 22-3-103, MCA.

Special Session Action

During the January 1992 special session, the legislature: 1) restored the Historical Society to vacancy savings imposed by the 1991 legislature; 2) reduced personal services and travel for this program; and 3) reclassified photocopy revenue from state special to proprietary funds. These adjustments are detailed in the above agency section entitled Special Session Action.

LIBRARY PROGRAM

Budget as Approved by the Regular 1991 Legislative Session

The Library budget decreases 5.2 percent due to removal of a one-time appropriation for a photo cataloging and archives information system, which terminated at the end of fiscal 1991.

Personal services increase 8.9 percent from fiscal 1990 to fiscal 1992 due to the continuation of the fiscal 1991 pay plan in the 1993 biennium and the transfer of 1.0 FTE from the Administration program at an annual cost of \$37,400. A temporary position (1.0 FTE) was deleted from this program.

Operating expenses increase 7.0 percent due primarily to inflationary adjustments and increased computer network fees.

Equipment includes \$1,000 for office equipment each year of the biennium and \$10,260 in fiscal 1992 and \$10,774 in fiscal 1993 for book acquisitions.

Funding

General fund increases 15.8 percent from fiscal 1990 to fiscal 1992 due to increased personal services, including pay plan, and operating costs. State special revenue decreases over \$60,000 due to the termination of a one-time appropriation of donated funds at the end of the 1991 biennium.

State special revenue is \$3,146 each year from the Teakle trust fund for the acquisition of specialized books. Proprietary funds are \$27,588 in fiscal 1992 and \$28,316 in fiscal 1993 from sales of copies of photographs and documents.

MUSEUM PROGRAM

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	6.50	6.50		6.50	6.50	6.50		6.50
Personal Services	166,827	161,492	12,209	173,701	166,775	155,511	19,782	175,293
Operating Expenses	66,636	55,456	0	55,456	66,682	55,482	0	55,482
Equipment	30,275	5,000	0	5,000	275	0	0	0
Total Costs	\$263,738	\$221,948	\$12,209	\$234,157	\$233,732	\$210,993	\$19,782	\$230,775
Fund Sources								
General Fund	240,130	198,340	12,209	210,549	210,124	187,385	19,782	207,167
State Revenue Fund	23,608	19,487	0	19,487	23,608	19,487	0	19,487
Proprietary Fund	0	4,121	0	4,121	0	4,121	0	4,121
Total Funds	\$263,738	\$221,948	\$12,209	\$234,157	\$233,732	\$210,993	\$19,782	\$230,775

Program Description

The Museum program was established to collect, preserve, and interpret the history of Montana through its material culture. The museum collects fine arts and historical, archeological, and ethnological artifacts from Montana and the general geographic region. The program interprets its collections through exhibits and educational activities.

Special Session Action

During the January 1992 special session, the legislature: 1) restored the Historical Society vacancy savings; 2) eliminated the tour guide at the Old Governor's Mansion; 3) reduced the budget modification for electronic security; and 4) reclassified photocopy revenue from state special to proprietary funds. These adjustments are detailed in the above agency section entitled Special Session Action.

MUSEUM PROGRAM

Budget as Approved by the Regular 1991 Legislative Session

FTE are reduced by 0.4 FTE due to the legislature funding a part-time maintenance position for the old Governor's mansion from the accommodation tax funds which are statutorily appropriated to the Historical Society, 15-65-121, MCA. Since these funds are appropriated by statute they do not appear in the House Bill 2, thus necessitating the removal from the budget of the 0.4 FTE. Despite these FTE reductions, personal services increase 17 percent from fiscal 1990 to fiscal 1992 primarily due to: 1) vacancy savings experienced when the exhibit designer position remained unfilled for much of fiscal 1990; and 2) the continuation of the fiscal 1991 pay plan increase in the 1993 biennium.

Operating expenses increase approximately 6.4 percent due to increases in supplies and building materials for museum exhibits and inflationary adjustments to the fiscal 1991 appropriated level.

Equipment for fiscal 1992 includes \$30,000 of general fund to purchase security equipment to provide increased protection for the museum.

Funding

The Museum program is funded approximately 90 percent with general fund. State special revenue funds are donations of \$19,487 each year, and proprietary funds are \$4,121 each year from the sale of copies of photographs and documents.

PUBLICATIONS

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	6.88	6.88		6.88	6.88	6.88		6.88
Personal Services	163,306	163,306	13,278	176,584	162,934	162,934	21,290	184,224
Operating Expenses	353,861	353,861	0	353,861	342,077	342,077	0	342,077
Equipment	551	551	0	551	551	551	0	551
Transfers	48,069	48,069	0	48,069	48,439	48,439	0	48,439
Total Costs	\$565,787	\$565,787	\$13,278	\$579,065	\$554,001	\$554,001	\$21,290	\$575,291
Fund Sources								
General Fund	48,135	48,135	1,861	49,996	48,134	48,134	3,026	51,160
Federal Revenue Fund	13,500	13,500	0	13,500	0	0	0	0
Proprietary Fund	504,152	504,152	11,417	515,569	505,867	505,867	18,264	524,131
Total Funds	\$565,787	\$565,787	\$13,278	\$579,065	\$554,001	\$554,001	\$21,290	\$575,291

Program Description

The Publications program (formerly the Magazine program) exists to fulfill one of the primary roles of the society: "to promote the study of Montana History by lectures and publications" (Section 22-3-108(15)), MCA). The program publishes Montana the Magazine of Western History and the Montana Post, the official newsletter of the society, on a quarterly schedule. It also publishes books under the Montana Historical Society Press imprint. In addition, the program is responsible for the operation of the retail and mail order museum store operation.

Budget as Approved by the Regular 1991 Legislative Session

Despite the 2 percent vacancy savings reduction, personal services increased 12.9 percent as a result of 0.88 FTE being transferred from the Administration program into this program, vacancy savings that occurred in fiscal 1990, and the continuation of the fiscal 1991 pay plan increase in the 1993 biennium.

PUBLICATIONS

Operating expenses increase 30.7 percent due to: 1) a \$12,000 per year increase in contracted services for contracts with a book review editor specializing in western history and an editorial specialist, and with Helena Industries to bag, label, and mail the magazine; 2) a \$35,000 increase in merchandise purchased for resale; 3) \$13,500 increased operating costs to research and publish the history of the Milwaukee Railroad line in Montana; 4) a \$12,000 increase in postage and mailing costs; and 5) other inflationary and base adjustments of \$7,100.

The budget includes \$551 each year for office equipment.

Funding

The general fund pays personal service costs for 2.0 FTE involved in publishing Montana, the Magazine of Western History. The magazine is not self-sustaining and past legislatures have appropriated general funds to subsidize its publication.

Three accounts included in the proprietary funds are: 1) Historical Society enterprise (\$225,341); 2) magazine sales (\$220,315); and 3) Montana Historical Society Press (\$58,496). The transfer allows the general fund appropriation to be spent from the proprietary account, in accordance with accounting principles.

HISTORICAL SITES PRESERVATION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	7.50	7.50		7.50	7.50	7.50		7.50
Personal Services	217,094	217,094	14,723	231,817	216,777	216,777	23,808	240,585
Operating Expenses	66,976	66,976	0	66,976	62,994	62,994	0	62,994
Equipment	19,438	19,438	0	19,438	8,157	8,157	0	8,157
Grants	350,000	350,000	0	350,000	350,000	350,000	0	350,000
Total Costs	\$653,508	\$653,508	\$14,723	\$668,231	\$637,928	\$637,928	\$23,808	\$661,736
<u>Fund Sources</u>								
General Fund	72,837	66,319	4,085	70,404	72,211	63,717	6,616	70,333
Federal Revenue Fund	580,671	587,189	10,638	597,827	565,717	574,211	17,192	591,403
Total Funds	\$653,508	\$653,508	\$14,723	\$668,231	\$637,928	\$637,928	\$23,808	\$661,736

Program Description

The staff of the Historical Sites Preservation program administer the federal Historic Preservation Act and the federal grants-in-aid for historic preservation. They also review all federally proposed projects within the state to determine their effect on historical properties listed in the National Register of Historic Places and those eligible for listing. The office certifies historic structures and rehabilitation projects for the federal tax credit offered in the Tax Reform Act of 1976 and oversees Montana's State Antiquities Act. The program awards federal grants to local governments and private entities and individuals under three grant programs: 1) the certified local government program; 2) acquisition & development; and 3) survey and planning. The program is authorized by Section 22-3-421, MCA.

HISTORICAL SITES PRESERVATION

Special Session Action

During the January 1992 special session, the legislature restored the Historical Society vacancy savings and approved a general fund/federal funds funding switch in the Historical Sites Preservation program, as noted in the above agency section entitled Special Session Action.

Budget as Approved by the Regular 1991 Legislative Session

Personal services increase by 9.5 percent, despite the application of 2 percent vacancy savings reduction, due to three factors: 1) vacancy savings which occurred in fiscal 1990; 2) the continuation of the fiscal 1991 pay plan increase into the 1993 biennium; and 3) the agency received a pay exception from the Department of Administration to fill the historic preservation officer position at a grade 14, step 13, instead of the budgeted step 2, resulting in an annual cost increase of \$7,300. Due to the education and experience requirements of this position, the agency was unable to fill the position at a lower salary level.

Operating increases include: 1) \$2,700 added to contracted services for radio carbon dating of archeological materials and inflationary adjustments; and 2) \$3,000 for increased travel costs.

Equipment includes \$4,019 for office equipment per year, \$15,419 in fiscal 1992 for personal computers, and \$8,157 in fiscal 1993 for office equipment.

Grants include \$350,000 from federal sources each year to local governments for historic site preservation and restoration.

Funding

The general fund appropriation increases 1.3 percent from fiscal 1990 to fiscal 1992 due to the net of: 1) increased personal services costs, including pay plan; and 2) a general fund reduction/federal funds increase of \$6,518 in fiscal 1992 and \$8,494 in fiscal 1993. The general fund/federal funds funding switch was enacted by the January 1992 special session. Federal National Park Service funds are budgeted at the latest estimate.

DEPARTMENT OF CORRECTIONS & HUMAN SERVICES

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	2,051.82	2,077.22		2,077.22	2,017.29	2,054.79		2,054.79
Personal Services	54,441,102	55,159,481	3,720,241	58,879,722	53,738,400	54,220,564	5,832,271	60,052,835
Operating Expenses	20,258,945	19,508,272	0	19,508,272	18,558,655	18,322,482	0	18,322,482
Equipment	789,920	789,811	0	789,811	607,506	607,506	0	607,506
Capital Outlay	16,500	16,500	0	16,500	16,500	16,500	0	16,500
Grants	8,286,107	8,286,107	0	8,286,107	7,947,399	7,947,399	0	7,947,399
Debt Service	150,767	150,767	0	150,767	144,225	144,145	0	144,145
Total Costs	\$83,943,341	\$83,910,938	\$3,720,241	\$87,631,179	\$81,012,685	\$81,258,596	\$5,832,271	\$87,090,867
Fund Sources								
General Fund	71,060,011	70,803,267	3,547,932	74,351,199	68,768,739	68,789,298	5,559,527	74,348,825
State Revenue Fund	4,817,677	4,951,653	125,078	5,076,731	4,814,724	4,946,096	198,695	5,144,791
Federal Revenue Fund	4,981,583	5,071,948	7,196	5,079,144	4,348,368	4,442,348	9,928	4,452,276
Proprietary Fund	3,084,070	3,084,070	40,035	3,124,105	3,080,854	3,080,854	64,121	3,144,975
Total Funds	\$83,943,341	\$83,910,938	\$3,720,241	\$87,631,179	\$81,012,685	\$81,258,596	\$5,832,271	\$87,090,867

Agency Description

The Department of Corrections and Human Services (DCHS, formerly the Department of Institutions), authorized in Section 2-15-2301, MCA, is directed in Section 53-1-201, MCA, to "utilize at maximum efficiency the resources of state government in a coordinated effort to: 1) restore the physically or mentally disabled; 2) rehabilitate the violators of laws; 3) sustain the vigor and dignity of the aged; 4) train children of limited mental capacity to their best potential; 5) rededicate the resources of the state to the productive independence of its now dependent citizens; and 6) coordinate and apply the principles of modern institutional administration to the institutions of the state." The department staff seek to provide care and treatment services that will guarantee the rights of residents, comply with state and federal standards, and when possible, return residents of the institutions to a normal life in the community.

DEPARTMENT OF CORRECTIONS & HUMAN SERVICES

The department's six divisions are: 1) Central Operations, including the administratively attached Board of Pardons; 2) Corrections, which includes the Montana State Prison (MSP), Swan River Forest Camp (SRFC), the Women's Correctional Center (WCC), and community programs; 3) Mental Health, which includes Montana State Hospital (MSH), Center for the Aged (CFA), and community programs; 4) Chemical Dependency; 5) Developmental Disabilities, which includes the Montana Developmental Center (MDC) and Eastmont Human Services Center; and 6) Veterans' Nursing Home program, which includes the Montana Veterans' Home (MVH).

DEPARTMENT OF CORRECTIONS & HUMAN SERVICES

Special Session Action

		Executive Budget Proposal		Fiscal 1993		Fiscal 1992		Legislative Budget Action			
		General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds		
Description	Pgm										
House Bill 2											
1 Elim. Special Services Mod	10										
2 General Savings	10	(\$42,680)		(\$16,240)		(32,500)		(32,500)			
3 Community Services	20	(670,067)				(\$42,680)		(\$16,240)			
4 Corrections Medical	20	622,885				(670,067)					
5 Elim. Peace Off. Training Mod	20										
6 License Plate Factory	20	(280,000)		(235,000)		(12,200)		(5,200)			
7 Local Jurisdiction Sentencing	20	(17,312)				(280,000)		(235,000)			
8 Personal Services Shortfall	20	395,520				(17,312)					
9 Population Increase	20	425,418				395,520					
10 Technical Advisor/MSP	20	65,000				310,342					
11 Gallen Program Changes	30	(200,000)		(800,000)							
12 Inlier Ruling Compliance	30					72,500		290,000			16,920
13 Mart. State Hospital Carteen	30					(6,996)		(8,624)			
14 Vac. Savings/Board of Visitors	30										
15 Inflation Adjustment	40	404,511				404,511		406,996			
16 Program Staffing Levels	50	19,767				19,767		19,767			
17 Service Contracts - ERSC	50	(165,598)				(207,421)		(208,432)			208,432
18 Funding Switch	60	(190,208)				(190,208)		(190,208)			
19 Worker's Comp. Rate Adj.	NA										
Sub-Totals		367,236	205,747	(1,023,117)	249,510	(256,744)	224,341	20,559	225,352		
Other											
20 Prison Ind. Revolving - HB 5	20										
21 Court Ordered Evaluations	30										
22 Fiscal 1990 Cost Settlement	NA										
23 Institutional Reimbursements	NA										
Sub-Totals		(2,049,174)		(1,911,536)		(1,050,012)		(605,212)			
						(513,454)		(513,454)			
						(792,870)		(792,870)			
Grand Totals		(\$1,681,938)	\$205,747	(\$2,934,653)	\$249,510	(2,049,174)	\$224,341	(1,911,536)	\$225,352		

DEPARTMENT OF CORRECTIONS & HUMAN SERVICES

- 1) Eliminate Special Services Mod - The legislature eliminated general fund of \$32,500 each year for contract services for a medical consultant. No contract had been signed as of November 30, 1991.
- 2) General Savings - The legislature adopted the Executive Budget proposal to reduce appropriations for the Central Operations Division, primarily in personal services, by \$42,680 in fiscal 1992 and \$16,240 in fiscal 1993. These reductions represent 2.2 percent of the fiscal 1992 general fund appropriation and 0.9 percent of the fiscal 1993 general fund appropriation for the Operations Division.
- 3) Community Services - The legislature adopted the Executive Budget proposal to delay the implementation of the budget modifications shown in Table 1 below. The reductions totalled \$670,067 in fiscal 1992, but all modifications would be implemented in fiscal 1993. The reference numbers on each line refer to the appropriate budget modification in the budget modification section.

Table 1
Special Session Amendments to the Community Corrections Budget Modifications
Fiscal 1992 and 1993

Modification Type	HB 2		HB 2		Total Reduction	HB 2		Total Reduction
	Regular FY 92	Special FY 92	Regular FY 93	Special FY 93		Regular FY 93	Special FY 93	
Pre-Release Expansion (10)	\$336,395	\$72,240	\$358,145	\$358,145	(\$264,155)	\$358,145	\$358,145	\$0
House Arrest (11)	45,000	0	45,000	45,000	(45,000)	45,000	45,000	0
Intensive Supervision (12)	127,739	105,597	70,600	70,600	(22,142)	70,600	70,600	0
Graduated Sanctions (14)	66,120	0	66,120	66,120	(66,120)	66,120	66,120	0
Women's Pre-release (17)	278,119	40,740	237,043	237,043	(237,379)	237,043	237,043	0
Probation/Parole (13)	131,201	95,930	134,526	134,526	(35,271)	134,526	134,526	0
Total	\$984,574	\$314,507	\$911,434	\$911,434	(\$670,067)	\$911,434	\$911,434	\$0

- 4) Corrections Medical - The legislature did not adopt the Executive Budget proposal to increase the Corrections Medical biennial appropriation by \$622,885 from \$1.9 million to \$2.5 million. The department's estimate of medical costs is \$2.7 million for the biennium. If these estimates are correct, an \$800,000 supplemental appropriation may be necessary in fiscal 1993.
- 5) Eliminate Peace Officer Training Mod - The legislature eliminated \$12,200 in fiscal 1992 and \$5,200 in fiscal 1993 that had been appropriated to implement Senate Bill 379. That bill, passed by the 1991 regular session of the legislature, requires the Board of

DEPARTMENT OF CORRECTIONS & HUMAN SERVICES

Crime Control to establish minimum standards of training for probation and parole officers and requires the officers to receive the training.

6) License Plate Factory - The legislature adopted the Executive Budget proposal to reduce funding for the License Plate Factory by \$280,000 in fiscal 1992 and \$235,000 in fiscal 1993, primarily because aluminum prices have declined.

7) Local Jurisdiction Sentencing Option - The legislature adopted the Executive Budget proposal to eliminate the general fund match of \$17,312 for this program for fiscal 1992 only (see #9 in the budget modification section below).

8) Personal Services Shortfall - The legislature adopted the Executive Budget proposal to increase personal services funding by \$395,520. This amount was approved primarily because the department is not realizing budgeted vacancy savings.

9) Population Increase - The legislature adopted a portion of the Executive Budget proposal to increase funding for the Corrections program by \$425,418 in fiscal 1992. The approved increases, totalling \$310,342, are: 1) variable costs for the reception overflow, \$41,000; 2) Gallehon Turner trial, \$75,000; 3) overtime training costs, \$84,556; 4) legal costs for the maximum security disturbance, \$25,000; 5) additional food costs resulting from procedural changes implemented after the disturbance at the maximum security unit, \$78,782; and 6) additional public defender costs of \$6,004.

10) Technical Advisor/MSP - The legislature did not adopt the Executive Budget proposal to include a biennial appropriation of \$65,000 for an on-site professional to aid in the technical operation of the prison.

11) Galen Program Changes - The legislature did not adopt the Executive Budget proposal to "downsize" Galen and reduce the appropriation for the Mental Health Division budget by \$200,000 in fiscal 1992 and \$800,000 in fiscal 1993.

12) Ihler Ruling Compliance - The legislature appropriated general fund of \$72,500 in fiscal 1992 and \$290,000 in fiscal 1993 for 10 FTE additional professional staff at Warm Springs to comply with the district court ruling on the Ihler lawsuit. The legislature also approved language allowing the department to transfer up to \$1 million from personal services at Warm Springs to community services. This language allows funding to follow patients from Warm Springs into the communities.

13) Montana State Hospital Canteen - The legislature adopted the Executive Budget proposal to increase the state special revenue fund for the Montana State Hospital Canteen by \$16,920 each year to compensate for product price increases.

14) Vacancy Savings/Board of Visitors - The legislature increased vacancy savings in the mental health program by \$6,996 in fiscal 1992 and \$8,624 in fiscal 1993 and increased the Board of Visitors' budget in the Governor's Office by like amounts.

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- 15) Inflation Adjustment - The legislature did not adopt the Executive Budget proposal to increase the state special alcohol tax appropriation for the Galen chemical dependency program by \$23,229 in fiscal 1992 and \$24,158 in fiscal 1993. Funds for inflationary increases had been appropriated during the 1991 regular legislative session.
- 16) Program Staffing Levels - The legislature adopted the Executive Budget request for an additional \$404,511 in fiscal 1992 and \$406,996 in fiscal 1993 to increase staffing levels at Montana Developmental Center (MDC) and Eastmont Human Services Center (EHSC). These funds are for additional staff totalling 21.9 FTE in fiscal 1992 and 26.5 FTE in fiscal 1993 at MDC and 1.0 FTE qualified mental retardation professional (QMRP) at EHSC to maintain certification at the two facilities.
- 17) Service Contracts - EHSC - The legislature adopted the Executive Budget request for \$19,767 for each year to pay for unanticipated increases in service contracts. The major revisions are increases in contracts for occupational therapists (\$4,108), physical therapists (\$1,986), and laundry services (\$11,900).
- 18) Funding Switch - The legislature approved funding switches of \$207,421 in fiscal 1992 and \$208,432 in fiscal 1993 at the Montana Veteran's Home. The increased revenues that replace general fund are increased private insurance, medicaid, medicare, and Veteran's Administration reimbursements.
- 19) Worker's Compensation Rate Adjustment - The legislature adopted the Executive Budget proposal to reduce annual personal services by \$190,208 as follows: 1) \$18,574 in Corrections; 2) \$3,452 in Chemical Dependency; 3) \$160,858 in Developmental Disabilities; and 4) \$7,324 in Veteran's Home programs. These reductions reflect a reduction in worker's compensation rates prior to the State Fund's recent rate increase, which averages 15 percent.
- 20) Prison Industries Revolving Account Transfer - The legislature adopted House Bill 5, which implemented the Executive Budget proposal to transfer \$605,212 from the prison industries account to the general fund in fiscal 1993. Section 53-1-302, MCA refers to all production programs at the prison as "industries." The two accounts for those industries are: 1) the prison ranch account, which had a cash balance of \$1,083,338 at the end of fiscal 1991; and 2) the industries revolving account, which had a fiscal 1991 year end cash balance of \$392,974. While the Executive Budget proposal did not identify the account from which the transfer would be made, testimony indicated that the transfer would be made from the prison ranch account.
- 21) Court-Ordered Evaluations - The legislature adopted the Executive Budget estimate of \$513,454 additional general fund revenue generated from charging counties for court-ordered psychiatric evaluations conducted at Montana State Hospital in fiscal 1993. Since the counties may submit the paid bills to the district court criminal reimbursement program for reimbursement, the legislature appropriated general fund of \$256,000 to that fund to partially mitigate the county impact. The charge will be implemented in fiscal 1993 to allow time to include estimated increases in the county budgets. (See Judiciary, Section A of the Appropriations Report, for more information regarding district court criminal reimbursement.)

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22) Fiscal 1990 Cost Settlements - The legislature adopted the Executive Budget estimate of \$1,050,012 additional general fund revenue in fiscal 1992. This revenue results from an adjustment of prior years medicaid underpayments for provider costs at EHSC, MDC, and Montana State Hospital.

23) Institutional Reimbursements - The legislature adopted the Executive Budget estimates of additional general fund revenue from insurance, medicaid, and medicare reimbursements for services in the institutions. These reimbursements total \$999,162 in fiscal 1992 and \$792,870 in fiscal 1993.

Budget as Approved by the Regular 1991 Legislative Session

As a result of reorganization, the DCHS budget includes all institutions operated by the department, as well as all other department functions. This is a change from previous years when the individual institutions were budgeted separately. The table includes both the current level and the budget modifications shown below that have been approved by the legislature. The reduction of nearly 29.0 FTE in fiscal 1992 and the further reduction of over 34.0 FTE in fiscal 1993 are primarily the net result of the "downsizing" of Montana Developmental Center (MDC) and budget modifications approved in the Corrections and Developmental Disabilities Divisions.

Personal services increase from fiscal 1990 to fiscal 1993 primarily because of the continuation of the fiscal 1991 pay plan and vacancy savings occurring in fiscal 1990 in excess of that budgeted in the 1993 biennium. Personal services decrease from fiscal 1992 to fiscal 1993 primarily due to the continued "downsizing" of MDC. The legislature implemented a 2.0 percent across-the-board reduction in funding for total personal services in fiscal years 1992 and 1993. This reduction is reflected in both the main tables and the budget modification tables. Funding sources at the department level are reduced in proportion to the total personal services in each program having personal services.

Operating expenses increase from fiscal 1990 to fiscal 1992 primarily because: 1) the legislature approved the budget modifications shown in the table below; and 2) audit costs are a biennial appropriation included in fiscal 1992 only. The differences between fiscal 1990 and fiscal 1992, as well as the budget modifications, are discussed in detail in the division narratives.

Equipment, capital outlay, grants and debt service are discussed in the division narratives.

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Summary of Budget Modifications

	PGM	FTE	FY 1992- General Fund	Other Funds	FTE	FY 1993- General Fund	Other Funds
Central Operations Division							
1 Board of Pardons Staff	10	1.00	\$ 30,995		1.00	\$ 26,910	
2 Information System Enhancemnt	10		130,665			128,024	
Corrections Division							
3 Staffing for Addlt. Capacity	20	21.60	560,823		31.20	759,892	
4 Jail-Parole Violators	20		66,120			66,120	
5 Operating Cost Increases	20		80,663			80,663	
6 SPPC Chemical Dependency Pgm.	20	1.50		\$ 38,350	1.50		\$ 38,282
7 Female Correction Pop. Inc.	20	2.00	77,058		2.00	99,214	
8 WOC Additional Staff	20	2.00	43,306		2.00	43,034	
9 Local Jurisdiction Sentencing	20	1.00		17,264	1.00		17,265
10 Pre-Release Expansion	20		72,240			358,145	
11 House Arrest	20					45,000	
12 Great Falls ISP Program	20	2.50	105,597		2.50	70,600	
13 Probation/Parole Officers	20	3.00	95,930		4.00	134,526	
14 Jail-Graduated Sanctions	20					66,120	
15 Targeted Case Managers	20	2.00	54,244		2.00	54,128	
16 BLSC Operating Increases	20		3,110			3,110	
17 New Women's Pre-Release	20		40,740			237,043	
18 Community Correction Rate Incr.	20		27,132			54,807	
Mental Health Division							
19 Child & Adolescent Services	30	.25		13,405			26,775
20 Mental Health Data Grant	30			107,100		214,889	
21 Service Provider Increases	30		106,381			36,100	
22 CFA Additional Staff	30		36,100				275,000
23 Homeless Block Grants	30			275,000		64,740	
24 HB93-Utilization Fee	30		32,370				
Chemical Dependency Division							
25 Alternative Chem. Dep. Services	40	1.00		20,817	1.75		41,666
26 Comm. Youth Activity Dem. Grant	40	1.00		507,276	.25		15,610
27 Chemical Dep. Data Grant	40			65,788			16,447
28 HB93-Utilization Fee	40		16,612			33,224	
Developmental Disability Division							
29 MDC ICF/MR Certification	50	3.83	89,278		2.00	45,633	
30 Eastmont ICF/MR Certification	50	6.00	136,720		6.00	137,102	
Veteran's Home Division							
31 HB93-Utilization Fee	60		30,200			60,400	
Totals		48.68	\$1,836,284	\$1,045,000	57.20	\$2,836,725	\$431,045

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- 1) Board of Pardons Staff - General fund of \$30,995 in fiscal 1992 and \$26,910 in fiscal 1993 is for 1.0 FTE pre-parole programmer, operating expense, and first-year equipment expense to help facilitate parole release for increasing caseloads.
- 2) Information System Enhancement - General fund of \$130,665 in fiscal 1992 and \$128,024 in fiscal 1993 is for computer enhancements including: 1) \$112,465 each year for the lease-purchase of a replacement for the department's IBM System 38 mainframe computer; 2) \$18,200 in fiscal 1992 for multi-user computers; and 3) \$15,559 in fiscal 1993 for repair and maintenance. These computer enhancements will allow data management based on human services systems, rather than on units within the systems.
- 3) Staffing for Additional Capacity - The legislature approved additional staff and variable costs for the increasing population at the men's prison as follows: 1) 21.6 FTE and general fund of \$560,823 for an additional 45 ADP in fiscal 1992; and 2) 31.2 FTE and general fund of \$759,892 for another 40 ADP in fiscal 1993. This budget modification will allow an increase in maximum capacity from 1,135 in fiscal 1991 to 1,180 beds by the end of fiscal 1992 and 1,220 beds by the end of fiscal 1993.
- 4) Jail-Parole Violators - The legislature approved general fund of \$66,120 each year to pay for local jail placement of parole and pre-release violators who have been arrested and are awaiting a due process hearing. Section 7-32-2242, MCA, requires the government unit responsible for committing an individual to a local detention center to pay the cost for holding the individual. These funds would provide \$38.00 per day for 1,740 days each year in local facilities.
- 5) Operating Cost Increases - The legislature approved \$80,663 in general fund each year for additional operating expenses for the care and custody of an additional 48.25 ADP at the men's prison. The request reflects variable costs of \$4.58 per day for each of the additional ADP and would allow care of prisoners up to the fiscal 1991 maximum capacity of 1,135 ADP.
- 6) SRFC CD Program - The legislature approved 1.5 FTE each year and \$38,350 in fiscal 1992 and \$38,282 in fiscal 1993 to improve the chemical dependency program at SRFC. Funding is from the earmarked alcohol tax.
- 7) Female Correction Population Increase - The number of women in the Women's Correctional Center increased from 50 ADP budgeted by the 1989 legislature to 53 ADP in fiscal 1990. The department expects the population to increase to 60 ADP in the 1993 biennium. To provide services for this increased population, the legislature approved 0.5 FTE nurse, 0.5 FTE chemical dependency counselor, and 1.0 FTE correctional treatment specialist. Personal services costs for the 2.0 additional FTE are approximately \$53,600 each year. Additional operating expenses of \$23,403 in fiscal 1992 and \$45,677 in fiscal 1993 are based on an average daily variable cost of \$5.12 per ADP. The total cost of this budget modification is general fund of \$77,058 in fiscal 1992 and \$99,214 in fiscal 1993.
- 8) WCC Additional Staff - The legislature approved general fund of \$43,306 in fiscal 1992 and \$43,034 in fiscal 1993 for operating expenses and 2.0 additional FTE at the Women's Correctional Center. These correctional officers were approved to improve facility safety and security.

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- 9) Local Jurisdiction Sentencing Options - The legislature approved 1.0 FTE, operating costs, and a budget of \$17,264 in fiscal 1992 and \$34,566 in fiscal 1993 for the creation of a community service program in Missoula. This program would provide a sentencing alternative for selected, non-violent offenders. The legislature expects that general fund of \$17,301 and state special funds of \$34,529 for the biennium from the community will be expended only to the extent that they are matched by federal funds. Authority to spend a Board of Crime Control grant of approximately \$70,000 during the biennium will be requested by budget amendment if the funds become available. The January 1992 special session eliminated the general fund appropriation of \$7,312 in fiscal 1992.
- 10) Pre-Release Expansion - The legislature approved general fund of \$72,240 in fiscal 1992 and \$358,145 in fiscal 1993 to expand the pre-release capacity. The department estimates the budget is sufficient to increase the 120 male pre-release beds budgeted in fiscal 1990 to 145 beds in fiscal 1993. This modification, recommended by the Criminal Justice and Corrections Advisory Council (CJCAC), is considered necessary to serve increasing inmate populations. The January 1992 special session reduced the fiscal 1992 general fund appropriation from \$336,395 to \$72,240.
- 11) House Arrest - The legislature approved general fund of \$45,000 in fiscal 1993 for contracts with non-profit organizations to supervise inmates in house arrest. House arrest would be available to inmates who have successfully completed all pre-release center program goals prior to their parole eligibility or discharge dates. This program, recommended by CJCAC, would keep inmates under the supervision of the pre-release centers as they complete transition to community life, while freeing space for other pre-release candidates. The January 1992 special session eliminated the general fund appropriation of \$45,000 in fiscal 1992.
- 12) Great Falls ISP Program - The legislature approved 2.5 FTE, \$107,597 in fiscal 1992 and \$70,600 in fiscal 1993 to establish an intensive supervision program in Great Falls. This general fund supported program would be used as an alternative for offenders sentenced to prison and would have a capacity of 25 offenders. Based on the success of similar programs in Billings and Missoula, CJCAC recommended a third program be established in Great Falls. The January 1992 special session reduced the fiscal 1992 general fund appropriation from \$127,739 to \$105,597.
- 13) Probation/Parole Officers - The legislature approved 3.0 FTE and \$95,930 in fiscal 1992, and 4.0 FTE and \$134,526 in fiscal 1993, to expand probation and parole services. This modified request would enhance supervision of those on probation or parole and increase the number of field officers to serve an increasing caseload. The January 1992 special session reduced the fiscal 1992 general fund appropriation from \$131,201 to \$95,930.
- 14) Jail-Graduated Sanctions - The department adopted a policy providing graduated community-based sanctions as alternatives to incarceration for parole and pre-release violators. One of these sanctions is jail placement for 30 to 60 days. The legislature approved general fund of \$66,120 in fiscal 1993 to provide 1,740 days in local jail facilities at \$38.00 per day. The January 1992 special session eliminated the general fund appropriation of \$66,120 in fiscal 1992.

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- 15) Targeted Case Managers - The legislature approved general fund of \$54,244 in fiscal 1992 and \$54,128 in fiscal 1993 for 2.0 FTE and an operating budget to help prison inmates prepare institutional treatment and parole plans. The department anticipates that these targeted case managers will help 600 inmates on "waiver" or "annual review" status shorten their average length of stay and thereby reduce prison overcrowding.
- 16) BLSC Operating Increase - The legislature approved general fund of \$3,110 each year for increased variable costs at the Billings Life Skills Center. The center was budgeted for 9.6 ADP during the 1991 biennium, but the population has increased to 12 residents. This budget modification provides \$3.55 per day for the additional 2.4 ADP.
- 17) New Women's Pre-Release Center - The legislature approved general fund of \$40,740 in fiscal 1992 and \$237,043 in fiscal 1993 for an additional 16 bed women's pre-release center. Contracted room and board were estimated by prorating the BLSC budget for fiscal 1993 and adding start-up costs in fiscal 1992. The department anticipates that this center would help relieve overcrowding at WOC. The January 1992 special session reduced the fiscal 1992 general fund appropriation from \$278,119 to \$40,740.
- 18) Community Corrections Rate Increase - The legislature approved general fund of \$81,939 for the biennium for 2 percent annual rate increases for community pre-release centers.
- 19) Child and Adolescent Services - The legislature approved federal funds of \$13,405 and 0.25 FTE in fiscal 1992 to provide child and adolescent services. These funds are the continuation of a grant begun by budget amendment in fiscal 1990 and will be used to coordinate agency agreements concerning services to emotionally disturbed children, funding, planning, and comparable client data bases.
- 20) Mental Health Data Grant - The legislature approved federal funds of \$107,100 in fiscal 1992 and \$26,775 in fiscal 1993 to complete the development of a uniform and integrated mental health data system begun by budget amendment in fiscal 1990. These funds are used to: 1) contract with a consultant to review and analyze mental health data for community mental health centers and institutions; and 2) develop and enhance computerized data systems for the collection and analysis of uniform mental health client and service data. Fiscal 1990 expenditures from these grants were \$20,898, and expected fiscal 1991 expenditures are \$117,959. This budget modification represents the projected expenditure of a portion of the second year grant and all of the third year grant.
- 21) Service Provider Increases - General fund of \$106,381 in fiscal 1992 and \$214,889 in fiscal 1993 is for 2.0 percent annual increases in the provider rates.
- 22) CFA Additional Staff - The legislature approved \$36,100 of general fund each year to contract for a medical director, an occupational therapist, a speech pathologist, and a psychiatrist. These services are necessary to allow the facility to comply with federal Omnibus Budget Reconciliation Act (OBRA) standards and other requirements.

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- 23) Homeless Block Grants - Federal block grant funds of \$275,000 each year are used to contract with the community mental health centers to provide services for adults with severe disabling mental illnesses who are homeless or in danger of becoming homeless. The 1989 legislature authorized expenditure of these funds through a program expansion for the 1991 biennium but stated that they could not be requested in the current level for the 1993 biennium. Therefore, spending authority for this on-going grant is requested as a budget modification.
- 24) House Bill 93 - Utilization Fee - The legislature appropriated general fund of \$32,270 in fiscal 1992 and \$64,740 in fiscal 1993 for the nursing facility utilization fee required by House Bill 93 at Warm Springs and Center for the Aged.
- 25) Alternative Chemical Dependency Services - The legislature approved federal ADMS block grant of \$20,817 in fiscal 1992 and \$41,666 in fiscal 1993 to fund 1.0 FTE program assistant each year and 0.75 FTE program officer in fiscal 1993.
- 26) Community Youth Activity Demonstration Grant - The legislature approved 1.0 FTE and federal funds of \$507,276 in fiscal 1992, and 0.25 FTE and \$15,610 in fiscal 1993 for a continuation of the community youth activity demonstration grant begun by budget amendment in fiscal 1990. The department received or expects to receive grants totalling \$1,502,529 in successive years, with the last grant extending until August 31, 1992. In this three-year study, funded by the federal Department of Health and Human Services, nearly 90 percent of the funds are used for contracts with community based prevention programs. The remainder of the funds are used for 1.0 FTE project evaluator and operating expenses to provide technical assistance and on-site evaluations of the community programs.
- 27) Chemical Dependency Data Grant - The legislature approved federal funds of \$65,788 in fiscal 1992 and \$16,447 in fiscal 1993 to continue an alcohol and drug abuse data collection system started by budget amendment in fiscal 1990. The department received or expects to receive grants totalling \$191,236 in successive years, with the last grant extending until August 31, 1992. The funds are used to expand and revise Montana's Alcohol and Drug Information System and to implement the new minimum data items required in the Anti-Drug Abuse Act of 1988.
- 28) House Bill 93 - Utilization Fee - The legislature appropriated general fund of \$16,612 in fiscal 1992 and \$33,224 for the nursing facility utilization fee required in House Bill 93 at Galen.
- 29) ICF/MR Certification at MDC - The legislature approved an additional 3.83 FTE and general fund of \$89,278 in fiscal 1992 and 2.0 FTE and general fund of \$45,633 in fiscal 1993 to maintain certification. In 1989, a Department of Health and Environmental Sciences (DHES) survey noted major deficiencies at MDC, especially in program management and client care. The department was required to improve services or risk decertification and the loss of Medicaid reimbursements. To address the deficiencies, the department added 21.5 FTE. In April 1990, based on the improved services provided by the additional staff, DHES certified MDC as an intermediate care facility for the mentally retarded. The facility failed a DHES survey in February, 1991 and passed a follow-up survey in March, 1991. This budget modification is the portion of the FTE added in fiscal 1990 that the department feels are necessary to maintain certification in a "downsized" facility in the 1993 biennium.

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30) ICF/MR Certification at Eastmont - The legislature approved an additional 6.0 FTE at a general fund cost of \$136,720 in fiscal 1992 and \$137,102 in fiscal 1993 in order to maintain ICF/MR certification at Eastmont. In November 1989, a DHES survey noted major deficiencies at Eastmont, especially in staff training and active treatment for the patients. The department was required to improve services or risk decertification and the loss of \$1.3 million per year in medicaid reimbursements. To address the deficiencies, the department added 1.0 FTE training and developmental specialist, 1.0 FTE habilitation training specialist, 1.0 FTE rehabilitation aide, and 3.0 FTE resident care aides. Based on the improved services provided by the additional staff, in April 1990, DHES certified Eastmont as an intermediate care facility for the mentally retarded.

31) House Bill 93 - Utilization Fee - The legislature approved \$30,200 in fiscal 1992 and \$60,400 in fiscal 1993 for the nursing facility utilization fee required in House Bill 93 at the Veteran's Home.

Funding

General fund provides \$74.4 million in fiscal 1992 and \$74.3 million in fiscal 1993 in House Bill 2 and House Bill 509. Other revenue comes from state, federal, and proprietary sources.

State special revenues are primarily canteen funds, donations, third-party reimbursements at the Veterans' Home, and earmarked alcohol tax. The distribution of the earmarked alcohol tax from fiscal 1988 through fiscal 1993 is shown in Table 2. The legislature appropriates a portion of the tax to the departments of Corrections and Human Services, Family Services, and Justice, and the remainder is statutorily appropriated to counties for chemical dependency programs. The county estimate shown below assumes that: 1) actual revenues equal the estimates shown in the table; and 2) annual increases of 2 percent will occur in fiscal 1992 and fiscal 1993. The balance at the end of the biennium will then total \$338,763. The department estimates that at least \$300,000 is needed to maintain cash flow.

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Table 2
Earmarked Alcohol Tax
Fiscal 1988 through Fiscal 1993

	Fiscal 1988	Fiscal 1989	Fiscal 1990	Fiscal 1991	Fiscal 1992*	Fiscal 1993*
Beginning Balance	\$400,549	\$443,725	\$506,212	\$590,287	\$836,686	\$612,641
Revenues						
1. Beer Tax	\$ 696,980	\$ 697,738	\$ 704,417	\$ 718,390	\$ 707,000	\$ 711,000
2. Wine Tax	466,831	433,651	421,895	410,541	409,000	399,000
3. Coot Recovery	107,445	110,912	93,326	100,887	93,326	93,326
4. Liquor License	2,177,071	2,220,355	2,218,058	2,359,051	2,337,000	2,330,000
5. Transfer Wine Tax	17,859	15,467	12,021	9,126	0	0
Total Revenue	\$3,466,186	\$3,478,123	\$3,449,717	\$3,597,995	\$3,546,326	\$3,533,326
Disbursements						
1. Central & Chem. Dep. Operations	\$ 310,886	\$ 313,351	\$ 324,694	\$ 321,557	\$ 311,146	\$ 254,290
2. Gallen Chem. Dependency	1,595,600	1,595,408	1,641,672	1,659,743	1,245,729	1,306,585
3. Chem. Dep. Community Services					135,497	135,497
4. MSH Support Operations					572,593	593,596
5. Dist. to Counties	1,280,180	1,233,016	1,122,592	1,079,388	1,100,976	1,122,995
6. State Prison*	46,310	51,424	50,514	55,390	57,208	58,636
7. Swan River*	25,875	27,059	27,941	28,410	70,180	71,850
8. Pine Hills	29,662	21,339	26,350	27,278	26,573	26,573
9. Justice - Drug Testing	143,835	143,232	192,694	197,599	250,469	237,182
Total Disbursements	\$3,432,348	\$3,384,829	\$3,386,457	\$3,369,365	\$3,770,371	\$3,807,204
Adjustments						
1. Misc.	\$ 5	\$ 2	\$ 0	\$ 1		
2. PY Rev.	9,072	(32,455)	18,653	15,011		
3. PY Ded.	261	1,646	2,162	2,757		
Total Adjustments	\$ 9,338	(\$ 30,807)	\$ 20,815	\$ 17,769		
Ending Balance	\$ 443,725	\$ 506,212	\$ 590,287	\$ 836,686	\$ 612,641	\$ 338,763

*1993 biennium pay plan allocated according to each facility's share of alcohol tax in HB 2

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Federal funds include the Alcohol, Drug, Mental Health block grant, other smaller grants, boarder reimbursements, and veterans' reimbursements. Proprietary funds are the prison ranch, industries, and industries training revolving accounts.

Other Legislation

In addition to House Bill 2, two other bills passed by the 1991 legislature appropriate funds to DCHS and one bill appropriates funds to the Legislative Council, as shown below. These appropriations are not included in the main table.

Bill No./Description	-----Fiscal 1992-----			-----Fiscal 1993-----		
	<u>FTE</u>	<u>General Fund</u>	<u>Total Funds</u>	<u>FTE</u>	<u>General Fund</u>	<u>Total Funds</u>
HB 528 - WOC Site Selection		\$ 8,000	\$ 8,000			
HB 909 - Counselor Certification			32,243			
HB 966 - Study of MT State Hospital		<u>34,040</u>	<u>34,040</u> **			
Totals	0.00	\$42,040	\$74,283	0.00	\$0	\$0

** Biennial appropriation to the Legislative Council

HB 528 - WOC Site Selection - This bill: 1) required that DCHS develop a request for proposals for the siting of a women's correctional center according to certain criteria; 2) created a committee to evaluate the proposals; and 3) provided for the evaluation of the proposals and the site selection. An \$8,000 general fund appropriation was provided to fund the site selection committee during fiscal years 1991 and 1992.

HB 909 - Counselor Certification - The legislature required DCHS to: 1) grant certification to practice as a certified chemical dependency counselor to persons who meet certain criteria; and 2) study the minimum requirements for gambling addiction counselors and the availability of gambling addiction treatment resources in Montana. The study of gambling addiction counselors and resources is funded by a fiscal 1992 appropriation of \$32,243 from the gambling license fee account.

HB 966 - Study of Montana State Hospital - The legislature: 1) created a committee to study the past, current, and potential future uses of the Montana State Hospital; and 2) appropriated \$34,040 for the biennium to the Legislative Council to conduct the study. The January 1992 special session reduced the original \$37,000 appropriation to \$34,040. In addition, House Bill 5 appropriates \$112,375 from the long-range building program fund for a study of the Montana State Hospital infrastructure.

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Other legislation for which implementation appropriations are contained in House Bill 2 or which impact the department are listed below:

HB 5 - Long Range Building - The legislature appropriated \$19,360,745 for construction at Montana State Prison and \$10,075,600 for construction of a new women's correction center from the long-range building program fund. House Bill 963 provides for construction of new facilities at Montana Developmental Center, as discussed below. These buildings will be constructed during the 1993 biennium and will require funding for operations in the 1995 biennium.

HB 93 - Nursing Home Utilization Fee - This bill appropriates funds for the 1993 biennium to increase medicaid reimbursement rates for private nursing facilities. The legislation imposes a \$1.00 per bed day fee in fiscal 1992 and a \$2.00 per bed day fee in fiscal 1993 on all nursing facilities in the state, including the state facilities. House Bill 2 appropriations for the biennium of \$97,110 for the Center for the Aged, \$49,836 for Galen, and \$90,600 for the Veteran's Home enable these facilities to pay the bed day fees.

HB 98 - License Plates - This legislation authorizes special license plates for the survivors of the Pearl Harbor attack. The fiscal note estimated general fund costs of less than \$100 per year. No appropriation was provided for implementation of the bill.

HB 103 - Prohibition on Holding Mentally Ill Persons in Jail - This legislation: 1) prohibits the detention of mentally ill persons in a jail pending a civil commitment hearing; 2) requires DCHS to establish crisis intervention programs and to assist counties in developing county plans; and 3) authorizes targeted case management services under the medicaid program for adults who are seriously mentally ill. The impact on DCHS, estimated by a revised fiscal note, is \$1.9 million in fiscal 1993, but no appropriation was made. The establishment of crisis intervention programs is subject to available appropriations. However, the legislature approved language in House Bill 2 to allow the department to transfer appropriation authority from personal services to operating expense for pilot mental health projects in Kalispell, Missoula, and Butte.

HB 148 - House Arrest - This legislation allows home arrest in lieu of imprisonment for certain criminal offenses. No additional funds were appropriated for this purpose. However, House Bill 2 includes \$45,000 in fiscal 1993 for house arrest for persons who have completed the pre-release program but who are not yet eligible for release.

HB 272 - Montana Community Corrections Act - This legislation: 1) allows sentencing courts to sentence non-violent felony offenders to a community corrections facility or program operated by local governments, tribal governments, or private agencies; and 2) grants the Department of Corrections and Human Services the authority to adopt rules governing operation of those facilities and programs. No additional funds were appropriated to the department for adoption of rules.

HB 521 - Chemical Dependency Education - This legislation, introduced at the request of the Department of Corrections and Human Services, requires the department to assist interested agencies and organizations in developing education and prevention programs for chemical dependency. The department may accept gifts, grants, and donations from public and private sources for this purpose.

DEPARTMENT OF CORRECTIONS & HUMAN SERVICES

HB 631 - Sexual Assault Sentences - This legislation increases the minimum sentence for sexual assault involving a person under 16 years of age and generally provides that a mandatory sentence of imprisonment may not be deferred or suspended. The fiscal note estimates that prison admissions would increase by 24 per year and that the fiscal impact would be approximately \$85,000 for the biennium. No additional funds were appropriated to mitigate the estimated fiscal impact. Senate Bill 170 requires a presentence investigation by investigators qualified under guidelines established by the Department of Corrections and Human Services.

HB 723 - Veterans' License Plates - This legislation creates special license plates for veterans of military service and for holders of the purple heart medal. The fiscal note estimated general fund costs of \$3,500 per year. No appropriation was provided for implementation of the bill. However, \$1.00 of the \$10.00 plate fee is deposited in the state general fund.

HB 957 - Official Names of the Veterans' Homes - This legislation distinguishes between the current veteran's home and the new veterans' home by naming: 1) the Columbia Falls home the "Montana Veterans' Home;" and 2) the Glendive home the "Eastern Montana Veterans' Home." The Eastern Montana Veterans' Home was approved by the 1989 legislature, will be constructed during the 1993 biennium if federal funds become available, and will require operating appropriations in the 1995 biennium.

HB 963 - MDC Expansion - This legislation allows the Department of Corrections and Human Services to enter into a loan agreement with the Montana Health Facility Authority for a loan, not to exceed \$8.665 million plus financing and interest costs, for facilities to consolidate the Montana Developmental Center on the north side of the river in Boulder. The bond proceeds are appropriated to the Department of Administration for the construction of the new facilities.

SB 49 - Criminal Sale of Drugs Near Schools - This legislation creates the offense of criminal sale of dangerous drugs on or near school property, and provides penalties. The fiscal note estimates additional admissions to the prison and additional costs of over \$5,000 per year to the Department of Corrections and Human Services. No additional funds were appropriated to mitigate the estimated fiscal impact.

SB 204 - Alternative Sentencing for Drug Offenses - This legislation provides alternative sentencing authority for felony offenses related to dangerous drugs, including intensive probation supervision. A \$50 per month supervision fee, charged to defendants placed in intensive probation, is deposited in a state special revenue fund to the credit of the Department of Corrections and Human Services. However, no spending authority was approved for these funds.

SB 250 - Commitment of the Developmentally Disabled - This legislation amends the laws relating to the commitment of persons who are developmentally disabled, provides an administrative screening process prior to commitment, and provides a new definition of "seriously developmentally disabled." The statement of intent notes that "these changes are necessary to provide a commitment standard and process that will meet the new mission that has been developed for state-operated residential facilities." This new mission includes the reduction of the MDC population to 100-110 residents.

DEPARTMENT OF CORRECTIONS & HUMAN SERVICES

SB 379 - Peace Officer Training for Probation/Parole Officers - This legislation requires the Board of Crime Control to establish minimum standards of training for probation and parole officers and requires the officers to receive the training.

HB 5, Special Session I - This legislation requires the department to transfer \$605,212 from the prison industries account to the general fund by the end of fiscal 1993.

CENTRAL OPERATIONS DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	45.00	45.00		45.00	45.00	45.00		45.00
Personal Services	1,356,705	1,315,486	83,932	1,399,418	1,354,647	1,338,647	134,850	1,473,497
Operating Expenses	442,222	408,370	0	408,370	280,216	247,556	0	247,556
Equipment	25,286	25,177	0	25,177	3,059	3,059	0	3,059
Debt Service	113,169	113,169	0	113,169	112,465	112,385	0	112,385
Total Costs	\$1,937,382	\$1,862,202	\$83,932	\$1,946,134	\$1,750,387	\$1,701,647	\$134,850	\$1,836,497
Fund Sources								
General Fund	1,880,882	1,805,702	83,932	1,889,634	1,750,387	1,701,647	134,850	1,836,497
State Revenue Fund	41,150	41,150	0	41,150	0	0	0	0
Federal Revenue Fund	8,512	8,512	0	8,512	0	0	0	0
Proprietary Fund	6,838	6,838	0	6,838	0	0	0	0
Total Funds	\$1,937,382	\$1,862,202	\$83,932	\$1,946,134	\$1,750,387	\$1,701,647	\$134,850	\$1,836,497

Division Description

Central Operations includes the Director's Office, Management Services, Special Services, and the administratively attached Board of Pardons. The Director's Office is responsible for effective management and planning for the department. It also provides legal, personnel, and labor relations support services for all programs, as well as administrative support for the Board of Pardons.

Management Services is responsible for: 1) the department's budgeting and accounting, reimbursement, and data processing services; and 2) providing budgeting and management assistance to individual institutions. It bills and collects revenue generated by the department, including Medicaid, Medicare, insurance, private payments, and Veterans' Administration contributions.

The Special Services unit, a new administrative structure, oversees the developmental disability system and the veterans' homes.

CENTRAL OPERATIONS DIVISION

The Board of Pardons, located in Deer Lodge, is responsible for the release of inmates on parole and furlough. It also reviews all requests for executive clemency and makes recommendations to the Governor. The board consists of three regular members and one auxiliary member, appointed by the Governor with the advice and consent of the Senate. By statute, at least one member must have particular knowledge of Indian culture and problems. Members receive \$50 per day plus travel expenses for days spent performing board duties. Statutory authority for the board, which is administratively attached to DCHS, is found in Sections 2-15-2302 and 46-23-104, MCA.

Special Session Action

During the January 1992 special session, the legislature eliminated the Special Services budget modification and imposed additional vacancy savings and other budget reductions as noted in the agency section entitled Special Session Action.

Table 3 shows the funding for each program within the Central Operations Division, as adopted by the January 1992 special session.

Table 3
Central Operations Division
FTE and Funding by Program

Program	Fiscal 1992			Fiscal 1993		
	FTE	Gen. Fund	State Fund	FTE	Gen. Fund	State Fund
Management	39.00	\$1,502,386	\$41,150	39.00	\$1,403,226	
Special Services	1.00	93,841		1.00	93,811	
Board of Pardons	5.00	\$209,475		5.00	204,610	
Pay Plan		83,932			134,850	
Tot. Division	45.00	\$1,889,634	\$41,150	45.00	\$1,836,497	\$0
					\$0	\$1,836,497

CENTRAL OPERATIONS DIVISION

Legislative Intent

It is the intent of the legislature that the department may use the personal services transfer authority granted by language for treatment professional positions only, except as provided by language allowing transfers within the budget of the Montana Developmental Center.

Language

"Contracts negotiated or re-negotiated by the department may not extend beyond the end of the 1993 biennium unless they contain the clause, 'subject to legislative appropriation of funds for this contract'."

"If the department is unable to recruit and hire professional positions funded in the appropriation and required for patient treatment and/or certification, it may transfer up to 100% of the aggregate personal services cost of each class of vacant position or the cost of the required contract, whichever is less, to operating expenses for the purpose of contracting for services that would have been provided if that position were filled. The department shall certify to the Governor or his designated representative that: 1) the department is unable to fill the position or positions; and 2) the services that would be provided by that position if filled and by the proposed contract are necessary for either federal medicaid certification or the treatment requirements of its correctional institutions."

Language in House Bill 2 boilerplate, Special Session I, requires that the Department of Corrections and Human Services transfer to the general fund: 1) from additional estimated insurance, medicaid, and medicare reimbursements \$999,162 in fiscal 1992 and \$792,870 in fiscal 1993; 2) from the additional fiscal 1990 cost settlement \$1,050,012 in fiscal 1992; and 3) \$513,454 from estimated charges for court-ordered evaluations in fiscal 1993.

Budget as Approved by the Regular 1991 Legislative Session

The budget increases of 44 percent from fiscal 1990 to fiscal 1992 primarily because 5.0 FTE were transferred to this program and budget modifications were approved. Personal services increase 28.7 percent because: 1) 5.0 FTE administrative personnel were reallocated to this program from the Chemical Dependency, Mental Health, and Corrections programs; 2) a budget modification for 1.0 FTE pre-parole programmer was approved for the Board of Pardons; and 3) Board of Pardons' per diem was increased for additional caseload.

Operating expenses increase 63.1 percent primarily because: 1) \$34,000 in biennial audit expenditures occurred in fiscal 1990, while the 1993 biennial audit costs of \$179,938 are budgeted in fiscal 1992 only; 2) the Board of Pardons was appropriated \$6,818 for additional caseload and \$1,676 in a modified request for additional staff; 3) a budget modification of \$32,500 each year was approved

CENTRAL OPERATIONS DIVISION

for contracted services for a medical consultant; and 4) fiscal 1990 expenditures of approximately \$16,000 for computer repairs were not budgeted in the 1993 biennium. Operating expenses decrease from fiscal 1992 to fiscal 1993, primarily because all legislative audit costs are budgeted in fiscal 1992.

Equipment increases 47.6 percent and includes: 1) \$3,059 for Central Operations' computer equipment each year; 2) a budget modification of \$4,027 in fiscal 1992 for computer equipment for the Board of Pardons; and 3) a budget modification of \$18,200 in fiscal 1992 for equipment for the Central Operations management information system.

Debt service of \$112,465 each year is a budget modification for leasing of computer equipment for a management information system. Debt service of \$704 in fiscal 1992 is for the final payment on a lease/purchase agreement for a telephone system.

Funding

Funding for this program is primarily general fund. Other funds used for legislative audit costs in Chemical Dependency, Mental Health, and Corrections in fiscal 1992 only are: 1) earmarked alcohol tax; 2) federal Alcohol, Drug, and Mental Health Services funds; and 3) proprietary funds.

CORRECTIONS DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	599.69	599.69		599.69	610.29	610.29		610.29
Personal Services	16,404,340	16,865,557	1,086,066	17,951,623	16,667,504	16,648,930	1,771,522	18,420,452
Operating Expenses	12,424,287	11,670,779	0	11,670,779	10,762,108	10,521,908	0	10,521,908
Equipment	587,517	587,517	0	587,517	423,220	423,220	0	423,220
Capital Outlay	16,500	16,500	0	16,500	16,500	16,500	0	16,500
Debt Service	1,154	1,154	0	1,154	888	888	0	888
Total Costs	\$29,433,798	\$29,141,507	\$1,086,066	\$30,227,573	\$27,870,220	\$27,611,446	\$1,771,522	\$29,382,968
<u>Fund Sources</u>								
General Fund	24,843,278	24,550,987	1,039,891	25,590,878	23,275,536	23,016,762	1,697,688	24,714,450
State Revenue Fund	1,358,265	1,358,265	5,429	1,363,694	1,358,774	1,358,774	8,590	1,367,364
Federal Revenue Fund	155,023	155,023	711	155,734	155,056	155,056	1,123	156,179
Proprietary Fund	3,077,232	3,077,232	40,035	3,117,267	3,080,854	3,080,854	64,121	3,144,975
Total Funds	\$29,433,798	\$29,141,507	\$1,086,066	\$30,227,573	\$27,870,220	\$27,611,446	\$1,771,522	\$29,382,968

Division Description

The Corrections Division develops and administers an integrated corrections program for adults. Specific programs within the Corrections Division include: 1) Administration; 2) a Corrections Medical program; 3) Community Corrections; and 4) a young men's correctional program at Swan River Forest Camp; 5) the Women's Correctional Center at Warm Springs; and 6) Montana State Prison for men at Deer Lodge.

The Administration program of the Corrections Division coordinates and administers all corrections activities through the Helena office. The Correctional Medical Program pays medical, optometry, dental, and laboratory costs for all corrections programs. It also funds security officers for hospitalized inmates. This budget structure accommodates movement of individuals through the corrections system, providing a flexible method to fund health costs while avoiding unforeseen financial burdens on any one program.

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The legislature approved new programs as discussed below to accommodate an increasing corrections population. The population by facility from fiscal 1988 through fiscal 1993 is shown in Table 4. The year-end population is estimated at 1,596 in fiscal 1992 and 1,702 in fiscal 1993. The department expects the male population to exceed the beds available and anticipates needing local jail space or other facilities for 69 men by the end of fiscal 1993. The department expects the female population will be seven less than the number of beds available by the end of fiscal 1993.

Table 4
Corrections Division Population
Population by Year*

Program	Fiscal 1988	Fiscal 1989	Fiscal 1990	Fiscal 1991	Fiscal 1992	Fiscal 1993
Montana State Prison	957.41	1,031.90	1,097.26	1,140.20	1,180.00	1,220.00
Swan River Forest Camp	49.11	50.19	52.33	57.60	60.00	60.00
Women's Correctional Center	35.23	46.34	53.23	58.20	60.00	60.00
Pre-release Centers (All)	123.20	127.20	133.30	144.49	188.00	173.00
Intensive Supervision	11.00	16.00	29.40	43.00	75.00	75.00
House Arrest/Grad. Sanctions					20.00	20.00
Other Community					32.00	32.00
Other Men's Beds/(Excess Capacity)					1.00	69.00
Other Women's Beds/(Excess Capacity)					(20.00)	(7.00)
Total Division	1,175.95	1,271.63	1,365.52	1,443.49	1,596.00	1,702.00

* Fiscal 1988 through fiscal 1991 are average daily population (ADP) - Fiscal 1992 and 1993 are year end population estimates

Community Corrections includes a probation, parole, and intensive supervision program, as well as pre-release centers, house arrest, and local jurisdiction sentencing options which provide alternatives to prison. The pre-release centers provide educational and work opportunities while providing close supervision of the offenders. The department operates two pre-release centers: 1) the Billings Life Skills Center (BLS) which houses up to 12 female offenders; and 2) the Missoula pre-release center which can accommodate 25 male offenders. In addition, the department contracts with non-profit corporations in Great Falls, Butte, and Billings for men's pre-release

CORRECTIONS DIVISION

services. Pre-release centers housed 133 ADP in fiscal 1990 and are budgeted for 188 inmates by year end in fiscal 1992 and 173 inmates by year end in fiscal 1993.

The Swan River Forest Camp (SRFC) at Swan Lake, authorized in Sections 53-30-205 and 53-30-212, MCA, is a minimum security work camp for inmates between the ages of 18 and 25 who are transferred from the state prison. The inmates work cooperatively with the Division of Forestry, Department of State Lands, in forestry programs such as thinning, seeding, and planting trees, as well as campground and recreation area maintenance. The staff provides educational opportunities, psychological services, work programs, training in living skills, and planning for each inmate's return to the community. In fiscal 1990, the capacity was increased from 54 to 60 beds. The Women's Correctional Center (WOC) in Warm Springs is a minimum to medium security facility for female offenders requiring incarceration. The program includes treatment, work, education, and recreation. This facility, opened in fiscal 1982, housed 53 ADP in fiscal 1990, and is expected to house approximately 60 ADP in the 1993 biennium.

The Montana State Prison (MSP) in Deer Lodge, authorized in Section 53-30-101, MCA, is a low, medium, and maximum security facility for the custody, treatment, training, and rehabilitation of adult male criminal offenders. The prison has six programs: 1) Care and Custody; 2) Canteen; 3) Ranch and Dairy; 4) Industries; 5) Industries Training; and 6) the License Plate factory. Treatment programs to aid rehabilitation include: 1) vocational education; 2) on-the-job training; 3) work experience; 4) sports and hobby programs; 5) music programs; 6) self-help groups; and 7) chemical dependency programs. In fiscal 1990, the prison had a design capacity of 744 inmates and an ADP of 1,097. The prison is budgeted for 1,180 inmates by year end in fiscal 1992 and 1,220 by year end in fiscal 1993.

The Care and Custody program includes housing, security, general operations, and administration of the prison. The prison's treatment and educational services are budgeted in this program.

The Canteen program provides store services and merchandise for inmates at the prison.

The Ranch and Dairy program provides milk, cottage cheese, ice cream, and yogurt to the prison and other institutions while providing work and training for inmates. The program objective is to provide at least 50 inmates per month with training and experience in ranch and dairy skills.

The Industries program provides training and work experience in: 1) furniture construction and repair; 2) upholstery; 3) sign manufacturing; 4) printing; 5) logging; 6) post-pole manufacturing; and 7) building of jack-leg fences. Products from the program are currently sold to other governmental entities, non-profit corporations and, in certain cases, to the private sector through licensed wholesalers and retailers.

The Industries Training program, authorized in Sections 53-30-131 through 53-30-133, MCA, provides vocational on-the-job training and work experience for prison inmates. The program includes auto and heavy equipment repair and maintenance, industrial arts, meat cutting, horticulture, business skills, career counseling, and telemarketing.

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The License Plate factory manufactures vehicle licenses for the State of Montana, providing work for approximately 17 inmates each month.

Special Session Action

During the January 1992 special session, the legislature: 1) appropriated additional general fund for corrections personal services and operations; 2) reduced or eliminated some budget modifications; and 3) approved a transfer from the prison ranch account to the general fund. These actions are detailed in the agency section entitled Special Session Action.

Table 5 shows the funding for each program within the Corrections Division, as approved by the January 1992 special session.

Table 5
Corrections Division
FTE and Funding by Program

Program	Fiscal 1992				Fiscal 1993					
	FTE	Gen. Fund	State Fund	Fed/Other	Total	FTE	Gen. Fund	State Fund	Fed/Other	Total
Operations	9.00	\$ 431,082			\$ 431,082	9.00	\$ 433,879			\$ 433,879
Corr. Medical		1,869,975			1,869,975					
State Prison										
Care/Custody	421.01	15,617,363	\$ 54,204	\$ 99,532	15,771,099	430.61	15,235,419	\$ 54,776	\$ 99,660	15,389,855
Canteen			1,159,241		1,159,241			1,159,248		1,159,248
Ranch/Dairy	12.75			1,672,065	1,672,065	12.75			1,671,998	1,671,998
Industries	5.25			1,129,524	1,129,524	5.25			1,133,153	1,133,153
Ind. Training	4.00	165,950		291,143	457,093	4.00	167,119		291,060	458,179
License Plate	2.00	171,122		12,413	183,535	2.00	216,479		12,463	228,942
Total Prison	445.01	\$15,954,435	\$1,213,445	\$3,204,677	\$20,372,557	454.61	\$15,619,017	\$1,214,024	\$3,208,334	\$20,041,375
Swan River	26.83	974,529		27,578	1,128,683	26.83	972,309	126,505	27,576	1,126,390
Women's Corr.	32.85	1,055,535			1,055,535	32.85	1,084,010			1,084,010
Comm. Services	86.00	4,265,431		18,244	4,283,675	87.00	4,907,547	18,245		4,925,792
Pay Plan		1,039,891		40,746	1,086,066		1,697,688	8,590	65,244	1,771,522
Total Division	599.69	\$25,590,878	\$1,363,694	\$3,273,001	\$30,227,573	610.29	\$24,714,450	\$1,367,364	\$3,301,154	\$29,382,968

CORRECTIONS DIVISION

Language

The legislature directed that personal services reductions be allocated by program. As a result of this allocation, actual appropriated amounts may differ from some appropriations referenced in language in House Bill 2. The correct appropriation is referenced by bracketed numbers in the language listed below.

Prison Industries - "Within the industries operations in [the Corrections Division], the department may submit budget amendments to hire 1 FTE marketing representative, 2 FTE shop supervisors, and 1 FTE prison industries procurement coordinator if funding is available."

Prison Industries Training - "Within the industries training program in [the Corrections Division], the department may submit budget amendments to hire 1 FTE vehicle maintenance shop supervisor if funding is available."

"The department is authorized to maintain a cash balance of not more than \$16,000 at the end of each fiscal year in the prison industries training proprietary account. Any funds in excess of \$16,000 in the proprietary account are to offset the general fund appropriation."

Community Corrections - "The department shall submit budget amendments for the local jurisdiction sentencing option program in [the local jurisdiction sentencing line item] if federal funding becomes available. The total general fund and state special fund share of the program may not exceed 50 percent and must revert to the respective funds to the extent that federal funding is less than \$35,000."

Montana State Prison - "[Targeted Case Managers] contains [\$54,244] in fiscal 1992 and [\$54,128] in fiscal 1993 for two targeted case managers at the prison. In preparing the 1995 biennial budget for legislative consideration, the Office of Budget and Program Planning and the Legislative Fiscal Analyst's Office may not include the expenditures from the above items in the current level base."

Budget as Approved by the Regular 1991 Legislative Session

The budget increases from fiscal 1990 to fiscal 1992, primarily because correctional populations are increasing. The authorized staff increases by over 32 FTE as a net result of the following: 1) 2.0 administrative FTE were transferred to Central Operations and 1.0 FTE was eliminated; 2) 0.5 FTE at SRFC was deleted because it had been vacant more than six months; 3) 0.25 FTE was added in Industries Training; and 4) 35.6 FTE were approved through budget modifications as shown in the table below. An additional 10.6 FTE were approved for fiscal 1993.

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The major factors contributing to the 9.9 percent increase in personal services are the budget modifications, the class action upgrade of most MSP and WOC correctional officers from a grade 9 to a grade 10, and continuation of negotiated upgrades for nurses. The general fund cost of the upgrades for the biennium is approximately \$265,000 for the corrections officers and \$831,417 for the nurses.

Operating expenses increase from fiscal 1990 to fiscal 1992 primarily because: 1) a biennial appropriation of \$1.9 million for the medical budget is an increase of \$1.0 million over fiscal 1990 actual expenditures; 2) budget modifications shown below add approximately \$1.2 million; 3) \$0.6 million of increased state special revenue spending authority was approved for the canteen; 4) \$0.7 million of increased proprietary fund spending authority was approved for the ranch and dairy, the industries, and the industries training programs; and 5) current level adjustments and inflationary increases add approximately \$0.2 million.

Equipment increases 42.1 percent primarily because approximately \$170,000 was approved in budget modifications. Increases of approximately \$134,000 in the ranch and dairy and industries programs equipment budgets are nearly offset by reductions in administration and current level community corrections.

The \$16,500 annual capital outlay is for building materials to construct a storage building at the prison ranch. Debt service is for lease/purchase of copy machines in community corrections and at the Women's Correctional Center.

Funding

General fund, the primary source of funding for the Corrections Division, increases 22.7 percent from fiscal 1990 to fiscal 1992. State revenue funds increase over 93 percent from fiscal 1990 to fiscal 1992, primarily because canteen spending authority is approximately double the actual fiscal 1990 expenditures. State revenues each year include: 1) earmarked alcohol tax of over \$127,000) 2) canteen funds of \$1.2 million; 3) community matching funds of over \$17,200; and 4) donations of \$980. The major portion of the federal funding is boarder reimbursements of approximately \$90,000 each year, while the remainder is federal school foods and education funds. Proprietary funds each year are: 1) \$1.7 million for the prison ranch; 2) \$1.1 million for the prison industries program; and 3) approximately \$263,000 for the prison industries training program.

MENTAL HEALTH DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	784.78	787.28		787.28	784.53	794.53		794.53
Personal Services	21,219,782	21,285,286	1,409,532	22,694,818	21,328,118	21,609,494	2,240,531	23,850,025
Operating Expenses	4,717,209	4,734,129	0	4,734,129	4,802,124	4,819,044	0	4,819,044
Equipment	78,012	78,012	0	78,012	77,637	77,637	0	77,637
Grants	5,697,715	5,697,715	0	5,697,715	5,806,223	5,806,223	0	5,806,223
Total Costs	\$31,712,718	\$31,795,142	\$1,409,532	\$33,204,674	\$32,014,102	\$32,312,398	\$2,240,531	\$34,552,929
Fund Sources								
General Fund	29,569,864	29,635,368	1,384,841	31,020,209	29,953,791	30,235,167	2,202,403	32,437,570
State Revenue Fund	725,403	742,323	24,149	766,472	736,589	753,509	38,128	791,637
Federal Revenue Fund	1,417,451	1,417,451	542	1,417,993	1,323,722	1,323,722	0	1,323,722
Total Funds	\$31,712,718	\$31,795,142	\$1,409,532	\$33,204,674	\$32,014,102	\$32,312,398	\$2,240,531	\$34,552,929

Division Description

The Mental Health Division includes administrative operations, the Montana State Hospital (MSH) at Warm Springs and Galen, the Center for the Aged (CFA) in Lewistown, and community mental health centers with regional headquarters located in Miles City, Billings, Great Falls, Missoula, and Helena. The purpose of this division, as defined in Section 53-21-101, MCA, is to: 1) secure care and treatment for the seriously mentally ill; 2) provide treatment in a community-based setting when possible; 3) provide treatment in an institution when necessary; and 4) assure that due process of law is accorded any person who is seriously mentally ill.

The Montana State Hospital, authorized in Section 53-6-301, MCA, performs three treatment functions: 1) psychiatric care and treatment on the Warm Springs campus; 2) medical care on the Galen campus; and 3) chemical dependency rehabilitative care on the Galen campus. The psychiatric program at Warm Springs serves mentally ill persons who cannot be appropriately treated in community programs. The medical care unit at Galen provides acute hospital and intermediate nursing care for Montana State Hospital patients who have serious medical conditions and also provides detoxification for chemically dependent admissions. The chemical dependency unit at Galen provides a 28-day alcoholism rehabilitation program and a long-term program for individuals with other drug dependencies. In fiscal 1990, the

MENTAL HEALTH DIVISION

Warm Springs campus had a licensed capacity of 404 beds and an ADP of 293, while the Galen campus had a licensed capacity of 305 beds and served 162 ADP.

The Center for the Aged in Lewistown, authorized in Section 53-21-411, MCA, is a residential facility for long-term care and treatment of persons who: 1) are 55 years of age or older; 2) are transferred from Montana State Hospital or referred from Montana mental health centers; 3) have chronic mental disorders related to the aging process; 4) require a level of care not otherwise available in the community; and 5) are not so severe or acute as to require an active treatment program such as that available at Montana State Hospital. In fiscal 1990, the facility had an ADP of 152 and a capacity of 191 beds.

Special Session Action

During the January 1992 special session, the legislature: 1) appropriated additional general fund for professional staff at Warm Springs in response to the district court ruling in the Ihler lawsuit; 2) authorized transfer of personal services at Warm Springs to community services; 3) appropriated additional canteen spending authority; and 4) authorized the department to begin charging counties for court ordered evaluations in fiscal 1993. These actions are detailed in the agency section entitled Special Session Action.

Table 6 shows the funding for each program within the Mental Health Division, as approved by the January 1992 special session.

Table 6
Mental Health Division
FTE and Funding by Program

Program	Fiscal 1992			Fiscal 1993		
	FTE	Gen. Fund	State Fund	FTE	Gen. Fund	State Fund
Operations	4.00	\$ 214,436		4.00	\$ 214,237	
State Hospital	674.86	21,711,914	\$ 725,689	682.36	22,140,173	\$ 736,873
Center for Aged	108.17	3,307,169	16,634	108.17	3,370,400	16,636
Comm. Services		4,401,849	1,020,866		4,510,357	1,020,866
Federal Grants	0.25		395,505			301,775
Pay Plan		1,384,841	24,149		2,202,403	38,128
Tot. Division	787.28	\$31,020,209	\$766,472	794.53	\$32,437,570	\$791,637
			\$1,417,993			\$1,323,722
			\$33,204,674			\$34,552,929

MENTAL HEALTH DIVISION

Language

The legislature directed that personal services reductions be allocated by program. As a result of this allocation, actual appropriated amounts may differ from some appropriations referenced in language in House Bill 2. The correct appropriation is referenced by bracketed numbers in the language listed below.

"Transfers may be made between line items within the mental health division and the alcohol and drug abuse division (chemical dependency) for the purpose of accurately allocating operating expenses associated with the alcohol and drug programs on the Galen campus upon approval of the governor or his designated representative."

"Included in [the Mental Health Division] are [\$22,356,259] in fiscal 1992 and [\$22,579,831] in fiscal 1993 for the operation of Montana State Hospital. Except for approved transfers to the chemical dependency division for the purpose of accurately allocating operating expenses associated with the alcohol and drug programs on the Galen campus, no more than 5% of these funds may be transferred."

"The department shall continue to provide acute hospital care, intermediate nursing care, and chemical dependency services at the Montana State Hospital at Warm Springs and Galen without significant changes in the program at either campus, except for approved changes on the Warm Springs campus to implement to district court ruling on the Ihler lawsuit."

"[In the Mental Health Division], the department may transfer appropriation authority from the personal services category to the operating expense category of the Mental Health Division budget upon approval by the Governor or his designated representative for costs associated with the Ihler lawsuit and the pilot projects in Kalispell, Missoula, and Butte."

"[In the Mental Health Division], the department may transfer appropriation authority from the personal services category to the operating expense category of the mental health division budget upon approval by the governor or his designated representative for costs, up to \$1,000,000 for the 1993 biennium, associated with responding to the district court ruling on the Ihler lawsuit."

Budget as Approved by the Regular 1991 Legislative Session

The Mental Health Division budget increases 5.3 percent from fiscal 1990 to fiscal 1992. The number of FTE decreases because: 1) 1.0 FTE was transferred to Central Operations; 2) 1.0 FTE for the Mental Health Planning Grant was eliminated because the 1989 appropriations subcommittee requested exclusion of this budget modification from the 1993 biennium current level; 3) 51.65 FTE from the Galen Chemical Dependency Unit were transferred to the Chemical Dependency Division; 4) a budget modification for 0.25 FTE for the Community Youth Activity program was approved; and 5) an increase of 4.91 FTE from fiscal 1990 to fiscal 1991 is continued in the 1993 biennium.

MENTAL HEALTH DIVISION

Personal services increase 4.9 percent from fiscal 1990 to fiscal 1992 because cost savings due to FTE reductions are offset by: 1) the continuation of the fiscal 1991 pay plan increase in the 1993 biennium; 2) the continuation of the 4.91 FTE increase in fiscal 1991; 3) the continuation of negotiated upgrades for nurses; and 4) a transfer from contracted services to personal services. During fiscal 1990, personal service appropriation authority at MSH was transferred to contracted services to hire psychiatrists, nurses, and other professionals. Because the agency is recruiting to fill these positions, this authority is transferred from contracted services back to personal services, resulting in a decrease in operating expense and a corresponding increase in personal services. Operating costs increase 7.7 percent from fiscal 1990 to fiscal 1992 because of: 1) inflationary increases in food, medical services, drugs, and utilities; 2) the addition of \$347,362 each year for the drug, Clozaril; and 3) the addition of \$32,370 for the utilization fee on nursing facilities required by House Bill 93. Partially offsetting the increases is the reduction of contracted services which had been transferred from personal services in fiscal 1990.

Equipment increases 13.6 percent because fiscal 1990 equipment expenses were lower than normal. Some of the \$82,152 equipment budget approved by the legislature in fiscal 1990 was spent for supplies, maintenance, and repairs. The Mental Health Administration and MSH requests for equipment and the top seven equipment priorities at CFA are included in the 1993 biennium budget.

Grants increase 4.9 percent because budget modifications were approved as shown in the table below.

Funding

General fund is the primary funding source for the Mental Health Division. State revenues are earmarked alcohol tax of approximately \$573,000 in fiscal 1992 and \$594,000 in fiscal 1993, canteen funds of approximately \$176,000 per year, and interest income and donations. Annual ADMS grants of \$1.02 million, Homeless Block Grants of \$275,000, and the MH Data Collection grant in fiscal 1992 are the primary sources of federal funds. State and federal revenues decrease because the department reorganization transferred some earmarked alcohol tax and federal ADMS funds to the Chemical Dependency Division.

CHEMICAL DEPENDENCY DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	59.65	59.65		59.65	59.65	59.65		59.65
Personal Services	1,626,285	1,622,833		1,739,111	1,630,542	1,627,090	185,442	1,812,532
Operating Expenses	213,806	213,806	116,278	213,806	141,944	141,944	0	141,944
Equipment	738	738	0	738	307	307	0	307
Grants	2,588,392	2,588,392	0	2,588,392	2,141,176	2,141,176	0	2,141,176
Total Costs	\$4,429,221	\$4,425,769	\$116,278	\$4,542,047	\$3,913,969	\$3,910,517	\$185,442	\$4,095,959
<u>Fund Sources</u>								
General Fund	246,941	243,489	15,455	258,944	263,553	260,101	24,660	284,761
State Revenue Fund	1,556,082	1,556,082	95,500	1,651,582	1,544,395	1,544,395	151,977	1,696,372
Federal Revenue Fund	2,626,198	2,626,198	5,323	2,631,521	2,106,021	2,106,021	8,805	2,114,826
Total Funds	\$4,429,221	\$4,425,769	\$116,278	\$4,542,047	\$3,913,969	\$3,910,517	\$185,442	\$4,095,959

Division Description

The Chemical Dependency Division includes chemical dependency administration, alcohol and chemical dependency programs at Montana State Hospital in Galen, and community services. As established in Section 53-24-207, MCA, the department is responsible for establishing comprehensive and coordinated programs for the treatment of chemically dependent persons, intoxicated persons, and their families. Those programs include: 1) emergency treatment; 2) inpatient treatment; 3) intermediate treatment; 4) outpatient treatment; and 5) follow-up services.

Special Session Action

During the January 1992 special session, the legislature adopted the Executive Budget proposal to reduce personal services by \$3,452 each year to reflect a reduction in workers' compensation insurance rates.

CHEMICAL DEPENDENCY DIVISION

Table 7 shows the funding, including pay plan, for each program within the Chemical Dependency Division, as approved by the January 1992 special session.

Table 7
Chemical Dependency Division
FTE and Funding by Program

Program	Fiscal 1992					Fiscal 1993				
	FTE	Gen. Fund	State Fund	Fed. Fund	Total	FTE	Gen. Fund	State Fund	Fed. Fund	Total
Operations	6.00		\$ 270,356	\$ 26,638	\$ 296,994	6.00		\$ 254,290	\$ 26,619	\$ 280,909
Galen CD	51.65	\$243,489	1,150,229		1,393,718	51.65	\$260,101	1,154,608		1,414,709
Comm. Services			135,497	2,005,679	2,141,176			135,497	2,005,679	2,141,176
Federal Grants	2.00			593,881	593,881	2.00			73,723	73,723
Pay Plan		15,455	95,500	5,323	116,278		24,660	151,977	8,805	185,442
Total Division	59.65	\$258,944	\$1,651,582	\$2,631,521	\$4,542,047	59.65	\$284,761	\$1,696,372	\$2,114,826	\$4,095,959

Language

The legislature directed that personal services reductions be allocated by program. As a result of this allocation, actual appropriated amounts may differ from some appropriations referenced in language in House Bill 2. The correct appropriation is referenced by bracketed numbers in the language listed below.

"Included in the appropriation for the Montana state hospital chemical dependency program within [the Chemical Dependency Division] are [\$1,380,558] in fiscal 1992 and [\$1,384,937] in fiscal 1993 for the operation of the Galen chemical dependency program. No more than 5 percent of these funds may be transferred."

CHEMICAL DEPENDENCY DIVISION

Budget as Approved by the Regular 1991 Legislative Session

Because the department reorganization split the functions at Galen between the Mental Health and Chemical Dependency divisions, only administration, community services, and personal services for the chemical dependency staff at Galen are budgeted in this program. The entire operating expenses for the Galen chemical dependency program are included in the Mental Health Division budget.

The budget increases 86.9 percent from fiscal 1990 to fiscal 1992, primarily because the Galen chemical dependency personnel are included in this program and three budget modifications have been approved. Personal services increase 557.7 percent as a net result of the following: 1) 3.0 FTE administrative personnel were moved to Central Operations; 2) 51.65 FTE chemical dependency personnel authorized in the Montana State Hospital budget in the 1991 biennium are included in the Chemical Dependency Division budget for the 1993 biennium; and 3) 2.0 FTE were approved in budget modifications shown in the table below.

Operating expenses increase 123 percent from fiscal 1990 to fiscal 1992 primarily because of a procedural accounting change for federal supplemental security income (SSI) and the addition of the budget modifications shown below. Operating expenses decrease from fiscal 1992 to fiscal 1993 because independent audit costs are budgeted in fiscal 1992 only. Equipment is funded at the executive request. Grants for community chemical dependency programs increase 27.8 percent because federal Alcohol, Drug Abuse, Mental Health Services (ADMS) funds have increased and the three budget modifications were approved.

Funding

General fund increases 20.3 percent from fiscal 1990 to fiscal 1992. Personnel and general fund of \$230,329 in the Lighthouse program have been transferred to this division. General fund in the Community Services program in fiscal 1990 is replaced with \$135,497 earmarked alcohol tax each year and federal ADMS block grant. State revenues are earmarked alcohol taxes which increase 415 percent because personnel at the Galen alcohol unit are included in this division and alcohol tax replaces general fund in community services. Federal funds increase 43.5 percent because federal ADMS funds replaced general fund and budget modifications were approved.

DEVELOPMENTAL DISABILITY DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	476.81	499.71		499.71	431.93	459.43		459.43
Personal Services	11,822,175	12,065,828		12,935,759	10,734,641	10,980,779		12,235,652
Operating Expenses	1,779,643	1,799,410	869,931	1,799,410	1,839,954	1,859,721	1,254,873	1,859,721
Equipment	92,285	92,285	0	92,285	97,759	97,759	0	97,759
Debt Service	36,444	36,444	0	36,444	30,872	30,872	0	30,872
Total Costs	\$13,730,547	\$13,993,967	\$869,931	\$14,863,898	\$12,703,226	\$12,969,131	\$1,254,873	\$14,224,004
Fund Sources								
General Fund	13,686,964	13,950,384	869,311	14,819,695	12,670,535	12,936,440	1,254,873	14,191,313
State Revenue Fund	30,227	30,227	0	30,227	30,251	30,251	0	30,251
Federal Revenue Fund	13,356	13,356	620	13,976	2,440	2,440	0	2,440
Total Funds	\$13,730,547	\$13,993,967	\$869,931	\$14,863,898	\$12,703,226	\$12,969,131	\$1,254,873	\$14,224,004

Division Description

The Developmental Disabilities Division includes Montana Developmental Center and Eastmont Human Services Center. Administration for this division is budgeted in the Special Services Program of the Central Operations Division.

The Montana Developmental Center in Boulder provides treatment and habilitation for profoundly mentally retarded individuals. Admission procedures and basic guidelines for care, treatment, and training are found in Title 53, Chapter 20, MCA. The fiscal 1990 ADP was 181, compared to 195 in fiscal 1988. The average daily population (ADP) at the end of the 1993 biennium is estimated at 100 to 110 patients.

The Eastmont Human Services Center in Glendive is a state facility for mentally retarded individuals. This facility, authorized in Section 53-20-502, MCA, as an extension of the Montana Developmental Center, provides intermediate nursing care, treatment, and education. The center's goal is to maintain and improve individual skills so that residents can function in the community. The staff at Eastmont emphasize cooperation with community groups and agencies and the education of the public regarding developmental disabilities and mental retardation. Fiscal 1990 capacity was 55 beds and actual ADP was 54.

DEVELOPMENTAL DISABILITY DIVISION

Special Session Action

During the January 1992 special session, the legislature: 1) increased staffing levels at Montana Developmental Center and Eastmont; and 2) increased contracted services at Eastmont to maintain ICF/MR certification at the two facilities. These actions are detailed in the agency section entitled Special Session Action.

Table 8 shows the funding for each program, including pay plan, within the Developmental Disabilities Division, as adopted by the 1992 Special Session.

Table 8
Developmental Disabilities Division
FTE and Funding by Program

Program	Fiscal 1992			Fiscal 1993		
	FTE	Gen. Fund	Fed. Fund	FTE	Gen. Fund	Fed. Fund
MT Dev. Center	394.09	\$11,087,194	\$13,356	353.81	\$10,064,910	\$2,440
Eastmont	105.62	2,863,190	689	105.62	2,871,530	689
Pay Plan	—	869,311	620	—	1,254,873	—
Tot. Division	499.71	\$14,819,695	\$13,976	459.43	\$14,191,313	\$30,251
						\$2,440
						\$14,224,004

Legislative Intent

It is the intent of the legislature that the department have the budgetary flexibility necessary to "downsize" the Montana Developmental Center (MDC) in an efficient manner consistent with providing for the needs of the clients and maintaining the certification of the facility.

DEVELOPMENTAL DISABILITY DIVISION

Language

"In [the Developmental Disability Division], the department may transfer appropriation authority from the personal services category to the operating expense category of the Montana Developmental Center budget upon approval of the Governor or his designated representative if the downsizing does not take place on schedule."

Budget as Approved by the Regular 1991 Legislative Session

The budget decreases primarily because the MDC's population will be reduced from 181 in fiscal 1990 to 100-110 ADP during the biennium. The reduction of nearly 69 FTE from fiscal 1990 to fiscal 1992 is the net result of: 1) a reduction of 78.78 FTE for the "downsizing" of MDC; and 2) budget modifications which add 3.83 FTE at MDC and 6.0 FTE at Eastmont to maintain certification. An additional reduction of 44.88 FTE in fiscal 1993 is the result of the further "downsizing" of MDC.

The legislature approved the Executive proposal to downsize MDC to approximately 100-110 residents and expand community services for persons with developmental disabilities. The plan is divided into four phases, the first three of which are nearly completed. Phase I and II, implemented by the Executive during the 1991 biennium, will provide services to 24 residents in four community group homes located in Helena, Hamilton, Livingston, and Billings. The 1991 legislature provided a \$1.4 million supplemental appropriation in House Bill 3 to fund Phase I and II during the 1991 biennium. Phase III, the SSSO authorized by the 1989 legislature (current level), will provide services to 52 residents in seven group homes in Missoula. Thirty MDC residents will be transferred to these homes, while the remaining 22 spaces will be reserved for persons in the community who are waiting for intensive services.

Phase IV will expand community-based services to accommodate 60 additional persons, 30 of whom will be transferred from MDC. As part of Phase IV, the MDC facility will be renovated and consolidated to enhance treatment capabilities and increase efficiencies. House Bill 963 authorized the sale of bonds for this purpose and appropriated \$8.665 in bond proceeds. In total, the four-phase plan will provide community-based development disabilities services to an additional 136 persons, 84 of whom will be from MDC. In addition to the downsizing at MDC, modifications were approved in the DFS and SRS budgets to reflect the increased community population.

Personal services decrease from fiscal 1990 to fiscal 1992 as a net result of: 1) reductions in FTE as noted above; 2) upgrades for rehabilitation aides at Eastmont to resident care aides, as approved by the Department of Administration; 3) continuation of negotiated upgrades for nurses; and 4) changes in worker's compensation modification factors and rates that increased personal services benefits over \$70,000 per year at Eastmont. In addition, fiscal 1991 pay plan increases are continued in the 1993 biennium.

Operating expenses decrease 16.4 percent from fiscal 1990 to fiscal 1992. Operational changes are: 1) the "downsizing" of MDC, which results in a reduction of variable costs and other operating expenses of \$38,777; 2) contracted services that were reduced over \$41,000 in fiscal 1992 and transferred back to personal services; and 3) inflationary increases in food, medical supplies, and utilities at

DEVELOPMENTAL DISABILITY DIVISION

the two institutions of over \$30,000 in fiscal 1992. The increase from fiscal 1992 to fiscal 1993 is primarily due to inflation offsetting the effects of "downsizing" MDC.

Equipment increases 56.4 percent from fiscal 1990 to fiscal 1992 primarily because \$56,202 in fiscal 1992 (\$61,773 in fiscal 1993) is included for principal payments on the new cook-chill food system at MDC. Also included in the equipment budget is the MDC request for furniture and vehicles each year and the top 17 biennial equipment priorities at Eastmont. Debt service is for interest payments on the cook-chill food system.

Funding

Funding for MDC and Eastmont is primarily general fund. State special revenue consists of approximately \$10,535 in donations and \$19,700 in income from the sale of resident-produced products each year. Federal revenues are: 1) Chapter I and II funds of \$10,919 in fiscal 1992 only; and 2) school foods funds of over \$2,400 each year from the Department of Education. It is anticipated that, because of the downsizing, most school age clients will move into the community and that Chapter I and II funds will not continue in fiscal 1993.

VETERAN'S NURSING HOME DIVISION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	85.89	85.89		85.89	85.89	85.89		85.89
Personal Services	2,011,815	2,004,491	154,502	2,158,993	2,022,948	2,015,624	245,053	2,260,677
Operating Expenses	681,778	681,778	0	681,778	732,309	732,309	0	732,309
Equipment	6,082	6,082	0	6,082	5,524	5,524	0	5,524
Total Costs	\$2,699,675	\$2,692,351	\$154,502	\$2,846,853	\$2,760,781	\$2,753,457	\$245,053	\$2,998,510
Fund Sources								
General Fund	832,082	617,337	154,502	771,839	854,937	639,181	245,053	884,234
State Revenue Fund	1,106,550	1,223,606	0	1,223,606	1,144,715	1,259,167	0	1,259,167
Federal Revenue Fund	761,043	851,408	0	851,408	761,129	855,109	0	855,109
Total Funds	\$2,699,675	\$2,692,351	\$154,502	\$2,846,853	\$2,760,781	\$2,753,457	\$245,053	\$2,998,510

Division Description

The Veteran's Home Division includes the Montana Veteran's Home in Columbia Falls and a potential new home in Glendive. These facilities, as authorized in Sections 10-2-401 through 10-2-404, MCA, provide nursing and/or domiciliary care for qualified veterans. Spouses of eligible veterans are also admitted when space is available. Administration for this division is budgeted in the special services program of the Central Operations Division.

The Columbia Falls facility contains 61 domiciliary and 90 nursing care beds. Fiscal 1990 ADP of 124 included 38 ADP in domiciliary and 86 ADP in nursing care. The 100-bed Eastern Montana Veteran's home is to be constructed during the 1993 biennium. Therefore, an operating budget is not needed until the 1995 biennium.

VETERAN'S NURSING HOME DIVISION

Special Session Action

During the January 1992 special session, the legislature reduced general fund and increased other funds to recognize increased revenue estimates at the Veteran's Home. This action is detailed in the agency section entitled Special Session Action.

Budget as Approved by the Regular 1991 Legislative Session

The budget increases 13.1 percent from fiscal 1990 to fiscal 1992, primarily because FTE are funded at the fiscal 1991 level, less a 2 percent personal services reduction, and operating expenses are adjusted for inflation. The number of FTE is equal to those approved for fiscal 1991 and is 0.51 FTE less than fiscal 1990 FTE. Personal services increase 12.5 percent because: 1) approximately \$12,000 each year was added to continue salaries for grade 8 aides whose positions were downgraded to grade 7; 2) upgrades for nurses are continued in the 1993 biennium; and 3) the fiscal 1991 pay plan increase is continued in the 1993 biennium.

Operating expenses increase 14 percent from fiscal 1990 to fiscal 1992 because: 1) inflationary increases in medical services, supplies and utilities add approximately \$24,000 in fiscal 1992; 2) an increase of \$6,000 raises the canteen spending authority to the fiscal 1991 appropriated level; 3) increases for the HPI pharmacy contract add over \$23,000 in fiscal 1992; and 4) \$30,200 was added for the nursing home utilization fee required in House Bill 93. The additional \$61,000 increase in fiscal 1993 results from similar increases for the second year of the biennium.

Equipment increases from fiscal 1990 to fiscal 1992 because fiscal 1990 expenses were lower than normal. Equipment budgeted for the 1993 biennium includes a wander alarm system, electric beds with mattresses and a micro computer.

Funding

General fund increases over 50 percent from fiscal 1990 to fiscal 1992, primarily because private reimbursements and federal funds have not increased as much as expenses. State revenue includes: 1) lease revenue of \$3,835 in fiscal 1992 and \$5,387 in fiscal 1993; and 2) third party and private reimbursements. Federal Veterans' Administration reimbursements are \$851,408 in fiscal 1992 and \$855,109 in fiscal 1993. If Veterans' Administration reimbursement exceeds the appropriated amount, the general fund appropriation will be reduced administratively so that federal funds are spent in lieu of general fund. If, however, reimbursements remain as budgeted, the general fund share of the budget will increase from 21.5 percent in fiscal 1990 to 27.1 percent in fiscal 1992.

EDUCATION



BOARD OF PUBLIC EDUCATION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	4.00	4.00		4.00	4.00	4.00		4.00
Personal Services	124,737	124,737	7,361	132,098	124,718	121,684	11,755	133,439
Operating Expenses	66,042	62,790	0	62,790	60,310	60,310	0	60,310
Equipment	850	850	0	850	500	500	0	500
Total Costs	\$191,629	\$188,377	\$7,361	\$195,738	\$185,528	\$182,494	\$11,755	\$194,249
Fund Sources								
General Fund	118,702	108,941	3,316	112,257	114,001	104,458	5,281	109,739
State Revenue Fund	72,927	79,436	4,045	83,481	71,527	78,036	6,474	84,510
Total Funds	\$191,629	\$188,377	\$7,361	\$195,738	\$185,528	\$182,494	\$11,755	\$194,249

Agency Description

The Board of Public Education, created by Article X, Section 9 of the 1972 Montana Constitution, consists of seven voting members appointed by the Governor and confirmed by the Senate. The board is charged with exercising "general supervision over the public school system." The board is also designated by statute as the governing board of the Montana School for the Deaf and Blind. Together with the Board of Regents, the board does the general planning, coordinating, and evaluation of the state's educational system (Title 20, Chapter 2, MCA). The board accredits all schools, certifies all teachers, adopts policies and standards for various educational programs, and orders the distribution of state equalization aid. The board's accreditation standards are the basis for eligibility for local school districts to receive state funds. Also, the board hears cases regarding denial, suspension, and revocation of teacher certificates and reviews teacher education programs leading to interstate reciprocity. The board is assisted by an administrative staff that oversees board operations and provides technical assistance and liaison.

BOARD OF PUBLIC EDUCATION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	4.00	4.00		4.00	4.00	4.00		4.00
Personal Services	124,737	124,737	7,361	132,098	124,718	121,684	11,755	133,439
Operating Expenses	66,042	62,790	0	62,790	60,310	60,310	0	60,310
Equipment	850	850	0	850	500	500	0	500
Total Costs	\$191,629	\$188,377	\$7,361	\$195,738	\$185,528	\$182,494	\$11,755	\$194,249
Fund Sources								
General Fund	118,702	108,941	3,316	112,257	114,001	104,458	5,281	109,739
State Revenue Fund	72,927	79,436	4,045	83,481	71,527	78,036	6,474	84,510
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BOARD OF PUBLIC EDUCATION

Special Session Action

		Executive Budget Proposal		Legislative Budget Action	
		=====		=====	
Description	Pgm	Fiscal 1992		Fiscal 1993	
		General Fund	Other Funds	General Fund	Other Funds
House Bill 2					
1 Contested Cases Hearings	01	(\$3,252)			
2 Funding Switch	01	(\$6,509)	\$6,509	(\$9,543)	\$9,543
3 Personal Services	01				
Total		(\$9,761)	\$6,509	(\$9,543)	\$9,543
				General Fund	Other Funds
				(\$6,509)	\$6,509
				(\$3,034)	\$6,509
				(\$9,543)	\$6,509

1) Contested Case Hearing - The 1991 legislature appropriated \$3,252 of general fund to the Board of Public Education in the 1993 biennium for additional hearings anticipated as a result of contested cases involving funding withheld from schools. The board has not held any hearings, nor do they anticipate additional hearings. The legislature concurred with the Executive Budget proposal to eliminate this appropriation.

2) Funding Switch - In the 1991 biennium, teachers seeking certification paid a \$5 fee. Of this total, \$3 was used to support the Certification Standards and Practices Advisory Council and \$2 was deposited to the general fund. The 1991 legislature raised the fee to \$6, and earmarked the entire amount for support of the council (\$3 for certification activities and \$3 for research and special projects). The Board of Public Education, which is funded from the general fund, is responsible for supervision and administration of the council. The legislature replaced \$6,509 of general fund each year with a like amount of certification fees in the Board of Public Education for council-related administrative costs.

3) Personal Services - In order to reach the Executive Budget total general fund reduction target of \$9,543 in fiscal 1993, the legislature reduced personal services by \$3,034 in the Administration program.

BOARD OF PUBLIC EDUCATION

Budget as Approved by the Regular 1991 Legislative Session

No vacancy savings was applied to the Board of Public Education for the 1993 biennium. Personal services increase by 1.1 percent over fiscal 1990 due to the continuation of the 1991 pay plan continued into the 1993 biennium and vacancy savings which occurred in 1990. These increases in personal services are offset by \$4,000 in termination pay incurred in fiscal 1990.

Operating expenses increase 9.3 percent from fiscal 1990 to fiscal 1992 due to: 1) a \$3,252 biennial appropriation added in the budget modification for additional board hearings; 2) \$800 for increased consulting services; 3) \$1,250 for increased network fees; 4) \$2,260 for increased audit costs; and 5) inflationary adjustments of \$1,485. Offsetting reductions total \$3,200 in other expenses.

Equipment includes \$850 in fiscal 1992 and \$500 in fiscal 1993 for office equipment.

Funding

Funding for administration of the Board of Public Education is from the general fund and certification fees. The teacher certification program is funded by fees paid by teachers for license certification or recertification.

Other Legislation

HB 431-Teacher certification fee increase - The legislature raised the fees for annual teacher certification from \$5 to \$6. In addition, this legislation also changed the present law which requires that \$2 of the fee be deposited into the general fund. Instead of going to the general fund, HB 431 requires the \$2 plus the \$1 fee increase, to be deposited into a state special account, from which it is statutorily appropriated to the Certification Standards and Advisory Council for special projects and research studies. This statutory appropriation is estimated to be approximately \$88,000 per year.

ADMINISTRATION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	2.00	2.00		2.00	2.00	2.00		2.00
Personal Services	78,000	78,000	3,316	81,316	77,785	74,751	5,281	80,032
Operating Expenses	40,452	37,200	0	37,200	35,966	35,966	0	35,966
Equipment	250	250	0	250	250	250	0	250
Total Costs	\$118,702	\$115,450	\$3,316	\$118,766	\$114,001	\$110,967	\$5,281	\$116,248
Fund Sources								
General Fund	118,702	108,941	3,316	112,257	114,001	104,458	5,281	109,739
State Revenue Fund	0	6,509	0	6,509	0	6,509	0	6,509
Total Funds	\$118,702	\$115,450	\$3,316	\$118,766	\$114,001	\$110,967	\$5,281	\$116,248

Program Description

The staff of the Administration program provide administrative, research, clerical functions, and management of business affairs for all programs under the purview of the Board of Public Education.

Special Session Action

The legislature reduced the general fund appropriation for the Administration program by \$9,761 in fiscal 1992 and \$9,543 in fiscal 1993 via: 1) budget reductions of \$3,252 in fiscal 1992 and \$3,034 in fiscal 1993; and 2) replacement of \$6,509 of general fund each year with a like amount of teacher and specialist certification fees.

ADMINISTRATION

Budget as Approved by the Regular 1991 Legislative Session

Personal service decline slightly from fiscal 1990 due to: 1) personal services expenditures in fiscal 1990 included over \$4,000 termination payment for the prior executive secretary; and 2) the accountant position has been filled at a lower step level than the prior occupant of that position.

Operating expenses increase 0.7 percent in fiscal 1992 due to: 1) audit costs increase by \$1,000; 2) a network fee increase by \$850; 3) additional board hearings in fiscal 1992 of \$3,252 as a biennial appropriation; and 4) inflationary adjustments of \$785. Offsetting reductions include reduced contracted services of \$2,200 and other services of \$3,200.

Equipment includes \$250 each year for the purchase of office equipment.

Funding

The 1991 legislature funded the Board of Education operations program entirely with general fund. The legislature in the January 1992 special session replaced a portion of the cost of administering the advisory council with teacher and specialist certification fees.

ADVISORY COUNCIL

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	2.00	2.00		2.00	2.00	2.00		2.00
Personal Services	46,737	46,737	4,045	50,782	46,933	46,933	6,474	53,407
Operating Expenses	25,590	25,590	0	25,590	24,344	24,344	0	24,344
Equipment	600	600	0	600	250	250	0	250
Total Costs	\$72,927	\$72,927	\$4,045	\$76,972	\$71,527	\$71,527	\$6,474	\$78,001
Fund Sources								
State Revenue Fund	72,927	72,927	4,045	76,972	71,527	71,527	6,474	78,001
Total Funds	\$72,927	\$72,927	\$4,045	\$76,972	\$71,527	\$71,527	\$6,474	\$78,001

Program Description

The Certification Standards and Practices Advisory Council to the Board of Public Education was created by the Fiftieth Legislature to study and make recommendations to the board in the following areas: teacher, administrator, and specialist certification standards; the status and efficacy of approved teacher education programs in Montana; the feasibility of establishing standards of professional practices and ethical conduct; and policies relating to the denial, suspension, and revocation of teaching certification and the appeals process. The seven-member council is to submit an annual report concerning its recommendations to the board. The board staff provides administrative, research, and clerical duties to the council.

Special Session Action

The legislature made no changes in this program's budget during the 1992 special session.

ADVISORY COUNCIL

Budget as Approved by the Regular 1991 Legislative Session

The 4.9 percent increase in personal services reflects the fiscal 1991 pay plan continued in the 1993 biennium and vacancy savings that occurred in fiscal 1990, which is not budgeted in fiscal 1992.

Operations increase from fiscal 1990 to 1992 due to: 1) \$3,000 added in contracted services for consultant assistance in analyzing complex certification issues; 2) audit expenses of \$1,260, which were previously budgeted in the Administration program; 3) network fees are increased \$400; and 4) inflationary adjustments of \$700.

Equipment includes \$600 in fiscal 1992 and \$250 in fiscal 1993 for purchase of office equipment.

Funding

Funding for the advisory council is derived from fees collected for the issuance or renewal of teacher or specialist certification. Section 20-4-109, MCA, provides that the total fee, which is collected by the Office of Public Instruction, may not exceed \$6 for each year in which the certificate is valid. Of this amount, \$3 is appropriated in HB 2 for the administration of teacher certification. The remaining \$3 is statutorily appropriated to the Advisory Council for use on special projects and research studies. As a result of action by the legislature in special session in January, 1992, a portion of these fees will also be used to offset administrative costs within the Administration program.

SCHOOL FOR THE DEAF & BLIND

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	85.38	85.38		85.38	85.38	85.38		85.38
Personal Services	2,419,963	2,394,084	140,418	2,534,502	2,416,120	2,390,567	223,361	2,613,928
Operating Expenses	493,046	482,046	0	482,046	480,971	459,971	0	459,971
Equipment	34,602	34,602	0	34,602	12,125	12,125	0	12,125
Debt Service	7,900	7,900	0	7,900	7,900	7,900	0	7,900
Total Costs	\$2,955,511	\$2,918,632	\$140,418	\$3,059,050	\$2,917,116	\$2,870,563	\$223,361	\$3,093,924
Fund Sources								
General Fund	2,620,029	2,563,150	140,418	2,703,568	2,581,669	2,515,116	223,361	2,738,477
State Revenue Fund	170,000	190,000	0	190,000	170,000	190,000	0	190,000
Federal Revenue Fund	165,482	165,482	0	165,482	165,447	165,447	0	165,447
Total Funds	\$2,955,511	\$2,918,632	\$140,418	\$3,059,050	\$2,917,116	\$2,870,563	\$223,361	\$3,093,924

Agency Description

The purpose of the Montana School for the Deaf and Blind is to provide an ordinary public school education for its students by use of specialized methods and to teach trades and vocations that will enable students attending the school to become independent and self-sustaining citizens. Authority for the school is contained in Title 20, Chapter 8, Part 1, MCA. A maximum of 80 children and adolescents reside on campus throughout the school year. To attend the school, students must be diagnosed as being deaf and/or blind or must have such a significant hearing or sight impairment that they are unable to receive a proper education in the public schools of the state. Additionally, the school provides for a minimum of 50 day students from the Great Falls area and serves over 250 students statewide through a resource consultant program.

SCHOOL FOR THE DEAF & BLIND

Special Session Action

		===== Executive Budget Proposal		=====		===== Legislative Budget Action		=====	
Description	Pgm	---- Fiscal 1992 ----		---- Fiscal 1993 ----		---- Fiscal 1992 ----		---- Fiscal 1993 ----	
		General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
House Bill 2									
1) General Services	02			(\$10,000)				(\$10,000)	
2) Student Services	03	(\$36,879)		(36,553)		(\$36,879)		(36,553)	
3) Funding Switch	04	(20,000)	20,000	(20,000)	20,000	(20,000)	20,000	(20,000)	20,000
	Total	(\$56,879)	\$20,000	(\$66,553)	\$20,000	(\$56,879)	\$20,000	(\$66,553)	\$20,000

1) General Services - The Executive Budget proposal, which was adopted by the legislature, reduces fiscal 1993 funding for operating expenses in this program by \$10,000. Actual operating expenses for fiscal year 1991 were \$155,583. The amount appropriated by the Special Session in House Bill 2 for operations for fiscal 1993 is \$150,851, a net reduction of 3.0 percent.

2) Student Services - The Executive Budget proposal, approved by the legislature, reduces the general fund personal services appropriation by \$25,879 in fiscal 1992 and \$25,553 in fiscal 1993 and operating expenses by \$11,000 each year.

3) Funding Switch - The MSDB receives income from its school trust fund for the operation of the education program. This income directly offsets general fund. The 1991 legislature appropriated \$170,000 of this income to the school each year of the 1993 biennium. Estimated income to the school was increased to \$190,000 each year, resulting in a \$20,000 reduction in the general fund.

SCHOOL FOR THE DEAF & BLIND

Budget as Approved by the Regular 1991 Legislative Session

The legislature implemented a 4 percent reduction in funding for personal services for the Administration, General Services, and Student Services programs in fiscal 1992 and 1993. The personal services budget for the Education program is full funded. Funding sources at the agency level were reduced in proportion to the total personal services at the program level.

The budget for School for the Deaf and Blind increases 9.0 percent from fiscal 1990 to fiscal 1992.

Despite the 4% vacancy savings applied to all programs except Education, personal services increase due to: 1) vacancy savings which occurred in 1990 and are not budgeted in the 1993 biennium; 2) the continuation of the fiscal 1991 pay plan increase in the 1993 biennium; 3) the addition of 0.84 FTE for a teacher supervisor position; 4) salary increases for exempt positions above the pay plan increase of the last biennium; and 5) salary adjustments to teacher positions based upon negotiated agreements for education levels and teacher experience.

Operations increase 9.8 percent from fiscal 1990 to fiscal 1992 due to: 1) inflationary adjustments primarily for food and utilities of \$14,600; 2) increased audit costs of \$19,230; and 3) increases for students to travel home nine times per year (\$15,800). Offsetting deductions include reduced consultant and legal services of \$4,100.

Equipment for fiscal 1992 includes: \$21,000 for a 15-passenger van and \$13,602 for office, household, and education equipment needs. For fiscal 1993, \$12,125 is included for various office, household, and education equipment needs.

Debt service declines in fiscal 1992 due to completion of lease purchase payments on the telephone system. The \$7,900 remaining in debt service is for a bus acquired last biennium by lease purchase.

Summary of Budget Modifications

		FY 1992-		FY 1993-				
		Pgm	FTE	General Fund	Other Funds	FTE	General Fund	Other Funds
1 Supervising Teacher		04	.84	<u>\$33,249</u>		.84	<u>\$33,256</u>	
Totals			.84	\$33,249		.84	\$33,256	

SCHOOL FOR THE DEAF & BLIND

1) Supervising Teacher - This modification adds \$66,505 general fund for a 0.84 FTE supervising teacher to supervise staff and develop a school-wide curriculum. The Conference of Educational Administrators Serving the Deaf granted provisional accreditation to the Montana School for the Deaf and Blind in fiscal 1990. In granting provisional accreditation, the conference recommended that the school "...aggressively pursue funding to fill...supervising teacher (and)...curriculum specialist...". The Conference staff will reevaluate the school in three years to determine progress made on past recommendations.

Funding

Funding for the School for the Deaf and Blind is over 88.0 percent general fund which bears the majority of the budget increase. Other sources include school trust interest and income, federal school lunch funds, and federal Chapter I special education funds.

ADMINISTRATION PROGRAM

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	5.00	5.00		5.00	5.00	5.00		5.00
Personal Services	160,683	160,683	8,168	168,851	160,478	160,478	12,906	173,384
Operating Expenses	57,161	57,161	0	57,161	37,844	37,844	0	37,844
Equipment	570	570	0	570	0	0	0	0
Total Costs	\$218,414	\$218,414	\$8,168	\$226,582	\$198,322	\$198,322	\$12,906	\$211,228
Fund Sources								
General Fund	218,414	218,414	8,168	226,582	198,322	198,322	12,906	211,228
Total Funds	\$218,414	\$218,414	\$8,168	\$226,582	\$198,322	\$198,322	\$12,906	\$211,228

Program Description

The Administration program staff provide purchasing, accounting, and personnel functions and management of business affairs for the school.

Special Session Action

The legislature made no changes in this program's budget during the 1992 special session.

Budget as Approved by the Regular 1991 Legislative Session

Salary increases approved by the Board of Public Education for exempt positions in fiscal year 1990 caused personal services costs to exceed the amounts appropriated for personal services by the Fifty-first Legislature by \$8,400. This difference was made up by a program transfer from the general services program. The expenditures for fiscal 1990 in the table include the transfer. The legislative appropriation for fiscal 1992 and 1993 includes the salary levels for the exempt positions as approved by the Board of

ADMINISTRATION PROGRAM

Public Education for fiscal year 1990. The legislature applied a 4 percent vacancy savings reduction to the personal services budget.

Operating expenses increase 39.9 percent from fiscal 1990 to fiscal 1992 because the legislature budgeted the entire audit costs of \$20,529 in the first year of the 1993 biennium, whereas in fiscal 1990 only \$1,300 of \$17,710 biennial audit costs were actually expended. Other increases include a \$1,200 increase in the cost of insurance and bonds. These increases are offset by a \$4,100 reduction in consultant and legal services.

Equipment includes \$570 in fiscal 1992 to replace two office chairs.

Debt service payments for lease/purchase of a new telephone system are completed in fiscal year 1991 and are not budgeted for fiscal 1992.

Funding

Funding for the program is 100 percent general fund.

GENERAL SERVICES PROGRAM

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	4.00	4.00		4.00	4.00	4.00		4.00
Personal Services	92,008	92,008	7,131	99,139	92,193	92,193	11,323	103,516
Operating Expenses	158,298	158,298	0	158,298	160,851	150,851	0	150,851
Equipment	907	907	0	907	0	0	0	0
Total Costs	\$251,213	\$251,213	\$7,131	\$258,344	\$253,044	\$243,044	\$11,323	\$254,367
Fund Sources								
General Fund	251,213	251,213	7,131	258,344	253,044	243,044	11,323	254,367
Total Funds	\$251,213	\$251,213	\$7,131	\$258,344	\$253,044	\$243,044	\$11,323	\$254,367

Program Description

The General Services program staff are responsible for the repair and maintenance of the school's eight buildings and 18.5 acre campus.

Special Session Action

The legislature reduced the operating budget of the General Services program by \$10,000 for fiscal year 1993.

Budget as Approved by the Regular 1991 Legislative Session

Despite a vacancy savings rate of 4 percent in the 1993 biennium, the personal services budget increases due to higher vacancy savings in fiscal year 1990 and continuation of the fiscal year 1991 pay plan in the 1993 biennium.

GENERAL SERVICES PROGRAM

Operating expenses increase by 2.3 percent due to utilities inflationary increases of \$5,492 in fiscal year 1992 and \$7,993 in fiscal year 1993. Other inflationary increases total \$875 for fiscal 1992 and \$927 for fiscal 1993. These increases are offset by a \$1,980 per year reduction in insurance and bond costs, which will be paid by the Administration program.

Equipment includes \$907 to replace office furniture.

Funding

Funding for the program is 100 percent general fund.

STUDENT SERVICES

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	31.13	31.13		31.13	31.13	31.13		31.13
Personal Services	650,778	624,899	52,048	676,947	650,372	624,819	82,593	707,412
Operating Expenses	149,753	138,753	0	138,753	152,992	141,992	0	141,992
Equipment	25,825	25,825	0	25,825	4,825	4,825	0	4,825
Debt Service	7,900	7,900	0	7,900	7,900	7,900	0	7,900
Total Costs	\$834,256	\$797,377	\$52,048	\$849,425	\$816,089	\$779,536	\$82,593	\$862,129
Fund Sources								
General Fund	799,974	763,095	52,048	815,143	781,842	745,289	82,593	827,882
Federal Revenue Fund	34,282	34,282	0	34,282	34,247	34,247	0	34,247
Total Funds	\$834,256	\$797,377	\$52,048	\$849,425	\$816,089	\$779,536	\$82,593	\$862,129

Program Description

The Student Services program provides residential care for a maximum of 80 children living at the school.

Special Session Action

The legislature reduced the general fund personal services appropriation by \$25,879 in fiscal 1992 and \$25,553 in fiscal 1993. Operating expenses were reduced \$11,000 each year of the biennium.

STUDENT SERVICES

Budget as Approved by the Regular 1991 Legislative Session

Despite the vacancy savings rate of 4 percent applied for the 1993 biennium, the personal services budget increases fiscal 1990 to fiscal 1992 due to vacancy savings experienced in fiscal 1990 and the continuation of the fiscal 1991 pay plan increase in the 1993 biennium.

Operating expenses increase by 17.0 percent due to inflationary adjustments for food of \$5,984 in fiscal year 1992 and \$9,151 in fiscal year 1993 and increased travel. The legislature increased the student travel budget by \$15,784 per year. The budget includes funds for students to travel home nine times per school year.

Equipment includes \$21,000 for a 15-passenger van to transport students and \$4,825 per year funds for the replacement of washers and dryers, a dishwasher, and office furniture.

Debt service includes \$7,900 per year for lease purchase payments on a bus for the handicapped authorized by the 1989 legislature.

Funding

Funding for the program is primarily the state general fund. The federal school lunch program funds \$34,282 of food costs in fiscal 1992 and \$34,247 in fiscal 1993.

EDUCATION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	45.25	45.25		45.25	45.25	45.25		45.25
Personal Services	1,516,494	1,516,494		1,589,565	1,513,077	1,513,077	116,539	1,629,616
Operating Expenses	127,834	127,834	73,071	127,834	129,284	129,284	0	129,284
Equipment	<u>7,300</u>	<u>7,300</u>	<u>0</u>	<u>7,300</u>	<u>7,300</u>	<u>7,300</u>	<u>0</u>	<u>7,300</u>
Total Costs	\$1,651,628	\$1,651,628	\$73,071	\$1,724,699	\$1,649,661	\$1,649,661	\$116,539	\$1,766,200
Fund Sources								
General Fund	1,350,428	1,330,428	73,071	1,403,499	1,348,461	1,328,461	116,539	1,445,000
State Revenue Fund	170,000	190,000	0	190,000	170,000	190,000	0	190,000
Federal Revenue Fund	<u>131,200</u>	<u>131,200</u>	<u>0</u>	<u>131,200</u>	<u>131,200</u>	<u>131,200</u>	<u>0</u>	<u>131,200</u>
Total Funds	\$1,651,628	\$1,651,628	\$73,071	\$1,724,699	\$1,649,661	\$1,649,661	\$116,539	\$1,766,200

Program Description

The Education Program exists to provide an education for children with a hearing and/or sight loss which prevents them from receiving an adequate education in their hometown school. The program also provides "mainstream" programs for certain students in a joint effort with the Great Falls Public School System.

Special Session Action

The Legislature increased the appropriation from school trust funds by \$20,000 to \$190,000 each year of the biennium and reduced the general fund appropriation by a like amount.

EDUCATION

Budget as Approved by the Regular 1991 Legislative Session

Personal services increase from fiscal 1990 to fiscal 1992 due to: 1) the addition of \$13,396 to fund the current configuration of educational attainment and experience of the teaching staff; 2) the addition of one supervising teacher (0.84 FTE) at a fiscal 1992 cost of \$33,429; 3) vacancy savings which occurred in fiscal 1990 and is not budgeted in the 1993 biennium; and 4) the continuation of the fiscal 1991 pay plan increase into fiscal 1992.

Operating expenses increase by 1.8 percent due to inflationary adjustments of \$2,250 in fiscal year 1992.

The equipment budget includes \$7,300 for office and school equipment per fiscal year.

Funding

General fund increases 11.1 percent from fiscal 1990 to fiscal 1992 due to adding \$38,000 each year to replace declining federal Chapter 1 funds and the budget increases noted above. School trust interest and income funds are appropriated at \$190,000 per year, a 18.7 percent increase. Federal Chapter I funds decrease 12.4 percent from fiscal 1990 to 1992 because of declining federal appropriations and changes in method of distribution of Chapter I funds between the School for the Deaf and Blind and local school districts.

OFFICE OF PUBLIC INSTRUCTION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	140.23	140.23		140.23	140.23	140.23		140.23
Personal Services	4,409,828	4,217,320		4,480,610	4,400,628	4,214,638		4,637,965
Operating Expenses	3,934,137	3,934,137	263,290	3,934,137	3,521,358	3,521,358	0	3,521,358
Equipment	228,612	228,612	0	228,612	118,296	118,296	0	118,296
Local Assistance	48,223,179	72,184,243	0	72,184,243	44,408,209	44,383,809	0	44,383,809
Grants	9,592,400	9,592,400	0	9,592,400	406,800	406,800	0	406,800
Transfers	435,074	435,074	0	435,074	435,121	435,121	0	435,121
Total Costs	\$66,823,230	\$90,591,786	\$263,290	\$90,855,076	\$53,290,412	\$53,080,022	\$423,327	\$53,503,349
Fund Sources								
General Fund	48,048,246	71,816,802	116,917	71,933,719	44,018,168	43,807,778	195,391	44,003,169
State Revenue Fund	4,378,187	4,378,187	13,644	4,391,831	4,295,762	4,295,762	21,549	4,317,311
Federal Revenue Fund	13,439,982	13,439,982	96,498	13,536,480	4,089,022	4,089,022	155,608	4,244,630
Proprietary Fund	956,815	956,815	36,231	993,046	887,460	887,460	50,779	938,239
Total Funds	\$66,823,230	\$90,591,786	\$263,290	\$90,855,076	\$53,290,412	\$53,080,022	\$423,327	\$53,503,349

Agency Description

The Superintendent of Public Instruction is an elected official mandated by Section 1, Article VI, of the Montana Constitution. Section 20-3-106, MCA, states that the Superintendent "...has the general supervision of the public schools and districts of the state." Section 20-7-301, MCA, names the Superintendent as "the governing agent and executive officer" for vocational education in Montana. The office provides services to Montana's school-age children and to teachers in 556 school districts. The staff provides technical assistance in planning, implementing, and evaluating educational programs in such areas as teacher preparation, teacher certification, school accreditation, school curriculum, school finance, and school law. The staff administers a number of federally funded programs and provides a variety of information services.

During the 1991 biennium, the Superintendent of Public Instruction state administrative functions were composed of three programs for budgeting purposes: 1) State Superintendent's office; 2) Central Services; and 3) Education Services. For the 1993 biennium, the legislature combined these administrative programs into one program for appropriation purposes.

OFFICE OF PUBLIC INSTRUCTION

Special Session Action

		Executive Budget Proposal			Legislative Budget Action		
		=====			=====		
Description	Pgm	Fiscal 1992	Other Funds	Fiscal 1993	Other Funds	Fiscal 1992	Other Funds
		General Fund		General Fund		General Fund	
House Bill 2							
1 Equipment Reductions	06	(\$50,000)		(\$50,000)			
2 Operating Expense Reduction	06	(20,000)		(20,000)			
3 Personal Services	06	(\$322,047)		(\$311,363)		(\$192,508)	(\$185,990)
4 Gifted & Talented	09	(24,000)		(24,000)		(24,000)	(24,000)
5 Impact Aid	09	(400)		(400)		(400)	(400)
6 Secondary Vb-Bd	09	(270,000)				(144,000)	
7 Special Ed Contingency	09	(214,520)				(536)	
8 SEA supplemental	09	<u>44,534,000</u>				<u>24,130,000</u>	
Sub-Totals		40,633,033		(405,763)		23,768,556	(210,390)
Other Appropriation Bills							
9 HB 999	09	(214,520)				(197,680)	
Sub-Totals		<u>(214,520)</u>				<u>(197,680)</u>	
Grand Totals		\$40,418,513		(\$405,763)		\$23,570,876	(\$210,390)

1,2,3) Administration program reductions - The Executive Budget had proposed to reduce the general fund appropriation in the Administration program by a total of \$392,047 in fiscal 1992 and \$381,363 in fiscal 1993. The Executive proposal consisted of: 1) a \$50,000 reduction each year in the budget for equipment; 2) a \$20,000 reduction each year in reduced general fund operating expenses; and 3) personal service reductions of \$322,047 in fiscal 1992 and \$311,363 in fiscal 1993. The legislature applied a 5 percent across-the-board reduction against the general fund budget, totaling \$192,508 in fiscal 1992 and \$185,990 in fiscal 1993.

OFFICE OF PUBLIC INSTRUCTION

- 4) Gifted & Talented - This appropriation is distributed to local school districts for education programs for gifted & talented students. The Executive Budget proposed and the legislature approved a reduction of \$24,000 each year, or 8 percent.
- 5) Impact Aid - Section 20-9-304, WCA, allows supplementary payments to school districts that provide education to children of employees of public institutions who live on state property and pay no property taxes. The legislature appropriated \$5,000 of general fund each year of the 1993 biennium. The Executive Budget proposed and the legislature approved a \$400 reduction (8 percent) each year.
- 6) Secondary Vocational Education - The 1991 legislature provided a biennial appropriation of \$1,800,000 for the 1993 biennium for secondary vocational education grants to local school districts. These grant funds are used to pay for the additional costs required of vocational education programs, such as specialized equipment needs and full year teaching contracts. The Executive Budget proposed a reduction of this appropriation by \$270,000 or 15 percent for the biennium. The legislature reduced this appropriation by \$144,000, or 8 percent.
- 7) Special Education Contingency - These funds are awarded by OPI to school districts to meet unexpected needs in special education budgets. The Executive Budget proposed a \$214,520 reduction in the special education contingency biennial appropriation, resulting in a 10.6 percent reduction. The legislature did not intend to make any reductions to this program. However an error in the amendment returning funding to the level appropriated by the 1991 legislature reduced the appropriation by \$536 over the biennium.
- 8) School Equalization Supplemental - Due to an anticipated revenue shortfall in the school equalization account during the 1993 biennium, \$24,130,000 was appropriated to the school equalization account to fund the foundation payments and other appropriations from this account approved by the 1991 legislature. The reduction from the Executive Budget recommendation is due to revenue adjustments and fund balance transfers made during the special session.
- 9) HB 999 - The 1991 legislature appropriated \$2,471,000 general fund for the 1993 biennium to OPI to fund educational programs for children with disabilities who are placed in an in-state children's psychiatric hospital or residential treatment facility. The Executive Budget proposed to reduce this appropriation by \$214,520, or 8.7 percent. The legislature reduced the appropriation by 8 percent, or \$197,680.

Budget as Approved by the Regular 1991 Legislative Session

The legislature implemented a 2 percent reduction in funding for the agency personal services in fiscal 1992 and 1993. Funding sources at the agency level were reduced in proportion to the total personal services at the program level.

The budget for the Office of Public Instruction (OPI) consists of two programs for the 1993 biennium: Administration and Distribution to Public Schools. The Administration program is the operating portion of OPI. All FTE and operating expenses are budgeted within this program. The Distribution to Schools program reflects those state and federal funds which are passed through to local school districts.

OFFICE OF PUBLIC INSTRUCTION

The budget for the agency increases 24.3 percent over fiscal 1990. Included in this increase are 15.83 additional FTE and a 19.8 percent increase in personal services.

Operating expenses increase 86.1 percent primarily due to the budget modifications, which add \$1.49 million of operating expenses in fiscal year 1992 and \$1.15 million in fiscal 1993. The equipment budget increases 23.5 percent due primarily to the budget modifications.

Transfers reflect the general fund contribution to the agency indirect cost pool or proprietary fund. Local assistance and grants represent those state and federal funds that are passed through to the state's school districts.

Summary of Budget Modifications

	Pgm	FTE	FY 1992--		FY 1993--		
			General Fund	Other Funds	FTE	General Fund	Other Funds
1 Curriculum specialist	06		210,000			210,000	
2 Audiology	06		136,000				13,532
3 Expanded Food Coop	06			82,000			7,500
4 Bicentennial competition	06			12,500			50,000
4 Chapter I	06			7,500			342,000
6 Education of the Handicapped	06			50,000			25,000
7 Race Equity	06			300,000			131,514
8 Drug Free	06	2.00		25,000	2.00		98,109
9 AIDS Education	06	1.50		131,512	1.50		12,500
10 Nutritional education	06			98,107			141,843
11 Chapter II	06			12,500			320,000
12 Migrant grants	06			141,843			24,674
13 Bilingual grant	06	.50		320,000	.50		
14 National origins	06	.50		24,673	.50		
15 School Foods	06	.50			.50		
16 Financial Management	06	4.00	214,355	71,769	4.00	172,357	59,727
17 Resource center funds	06			8,000			
18 Indian Education	06		24,071			23,997	
19 Other federal	06	1.50		291,302	1.50		93,709
20 Jobs for Montana Graduates	06			126,517			124,485
21 Court-ordered fees	06		11,000				
Totals		10.50	595,426	1,703,223	10.50	406,354	1,444,593

OFFICE OF PUBLIC INSTRUCTION

- 1) Curriculum Specialist - The legislature added \$210,000 general fund each year for curriculum specialists currently funded from federal funds. This was done to increase state support to local school districts for training and curriculum enhancement.
- 2) Audiology - This program provides hearing tests and services to children around the state. For the 1989 and 1991 biennia, the program was funded from state funds and a US West donation. In 1990, US West informed OPI that it would no longer contribute to the program beyond fiscal 1991. The legislature funded \$136,000 general fund and \$82,000 from anticipated private sources for the 1993 biennium as a biennial appropriation.
- 3) Expanded Food Coop - OPI acts as a purchasing agent of school food supplies for school districts requesting those services. OPI levies a 2.0 percent surcharge to pay for the service. Although OPI has generated enough income to support the coop food purchase service in prior years, it used federal school foods administrative funds to supplement this function. In fiscal 1990, the federal government informed OPI that administrative funds could no longer be used for this purpose. The legislature included \$12,500 in fiscal 1992 and \$13,532 in fiscal 1993 in additional spending authority to fully fund this function from the 2.0 percent surcharge. Addition of this budget modification would give OPI total authority of \$33,597 in fiscal 1992 and \$34,449 in fiscal 1993.
- 4) Bicentennial Competition - The legislature included \$7,500 federal authority each year of the 1993 biennium for administration of the National Bicentennial Competition on the Constitution and Bill of Rights.
- 5) Chapter I - The legislature increased Chapter I funds by \$50,000 each fiscal year for a total Chapter I appropriation of \$375,000 per year. The federal government has increased the state's Chapter I administration grant by \$50,000 per year to implement the new Chapter I program improvement requirements for disadvantaged students.
- 6) Education of the Handicapped - The legislature approved additional federal authority of \$300,000 in fiscal 1992 and \$342,000 in fiscal 1993 for a total budget of \$843,000 in fiscal 1992 and \$885,000 in fiscal 1993. The increase is due to: 1) an estimated increase in the grant award from the federal government; and 2) the use of prior years' carryover and set-aside funds.
- 7) Race Equity - The legislature increased this grant by \$25,000 each fiscal year for a total budget of \$46,018 each fiscal year. The federal grant award, which is expected to increase, will be used to provide additional technical assistance to schools on or near Indian reservations or those that have other minority children enrolled.
- 8) Drug Free - This modification adds \$131,512 in fiscal 1992 and \$131,514 in fiscal 1993. The increased federal funds add 2.0 FTE and related expenses to provide technical assistance and services to schools.
- 9) AIDS Education - This modification adds federal funds of \$98,107 in fiscal 1992 and \$98,109 in fiscal 1993. An additional 1.5 FTE and related expenses would be added to provide additional technical assistance and services to schools.
- 10) Nutritional Education - This modification adds \$12,500 federal funds each fiscal year for a total budget of \$62,500 per year. This increase would be used to provide additional nutritional education training workshops.

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- 11) Chapter II - The legislature added \$141,843 federal funds each fiscal year for a total budget of \$539,704 per year. Increased federal funding is available due to additional program requirements and an increase in carry-over funds from previous years' grants.
- 12) Migrant Grants - This modification adds \$320,000 federal funds each year which OPI then contracts out to local school districts. Migrant grant monies were previously accounted for in the agency fund and were not appropriated by the legislature.
- 13) Bilingual Grant - This modification adds federal funds of \$24,673 in fiscal 1992 and \$24,674 in fiscal 1993. This addition is due to an increase in the federal grant award. A 0.5 FTE is included in the modification.
- 14) National Origins - While this federal grant is not expected to change from the fiscal 1990 appropriated level, OPI requests that 0.5 FTE be added to perform work currently being done under contract in order to comply with the grant as approved by the Department of Education.
- 15) School Foods - While the federal grant level for this program is not expected to change, the legislature added 0.5 FTE to make the program specialist full-time. There is currently \$67,277 of general fund in the School Foods program, which represents the required maintenance of effort in order to be eligible for federal funding.
- 16) Financial Management - This modification adds 4.0 FTE (three fiscal officers and one administrative assistant). The modification's budget includes general fund of \$214,355 in fiscal 1992 and \$172,357 in fiscal 1993 and proprietary funds of \$71,769 in fiscal 1992 and \$59,727 in fiscal year 1993.
- 17) Resource Center Funds - The OPI film library has accumulated a balance in the state special account. This modification appropriates the \$8,000 balance in the account for operating expenses in fiscal 1992 only.
- 18) Indian Education - This modification funds half of the Indian education specialist position from the general fund. This position is presently funded 100 percent from Johnson/ O'Malley federal funds. These remaining federal funds can then be utilized for operational and education development needs.
- 19) Other Federal - This modification added 1.5 FTE and \$291,302 federal funds for fiscal 1992 and \$93,709 for fiscal 1993. This represents federal funds from the following sources: 1) McKinney Homeless, \$4,014; 2) Star Schools program, \$242,354; 3) Bus Safety, \$28,934; 4) teacher education, \$3,000; 4) Geography Bee, \$3,000; and 5) chief state school officer, \$10,000.
- 20) Jobs for Montana Graduates - This modification represents a transfer of this program from the Department of Labor and Industry (DOLI). The program was implemented in FY 1991 in the DOLI by budget amendment from unemployment insurance administrative tax funds. This program provides job training services to high school students who are at risk of dropping out of school.
- 21) Court-ordered fees - This modification adds \$11,000 in general fund for fiscal 1992 to pay court-ordered attorney fees in a sex discrimination case filed against the Office of Public Instruction and the Montana High School Association. The case originated in 1982 and was resolved in 1991. The court decided attorneys' fees would be paid as a part of this case in March 1991.

OFFICE OF PUBLIC INSTRUCTION

Funding

Over 80 percent of OPI's budget is general fund. Of the total general fund appropriation for the 1993 biennium, 94 percent is distributed to school districts.

State special funds include school equalization funds, motorcycle safety funds, traffic safety funds, school lunch program funds and audiovisual and media library funds. State special revenue increases by 191.4 percent from fiscal 1990 primarily as a result of the legislature appropriating \$3,908,166 in fiscal 1992 and \$3,914,457 from the school equalization funds for increased state support of school transportation as a result of the passage of Senate Bill 82.

Federal funds constitute approximately 12 percent of the biennial budget. Of the total federal funds in the 1993 biennium, 52 percent are distributed to school districts. Federal revenues are increased based upon anticipated revenues.

Other Legislation

Bill No./Description	Fiscal 1992		Fiscal 1993	
	FTE	General Fund	FTE	General Fund
HB 30 - Education Telecom Network		\$0		\$148,000 *
HB 999 - In-state Residential Treatment		2,273,320		0
Totals		\$2,273,320		\$148,000

* Annual appropriations from the state equalization aid account based upon an amount equal to \$1 for each ANB for the previous year.

** Biennial appropriation

HB 30 - Montana educational telecommunications network - The legislature appropriated from the state equalization aid account an amount equal to \$1 for each average number belonging (ANB) calculated for the state for the previous school fiscal year. This is estimated to be approximately \$148,000 per year. The funds are appropriated to enable OPI to generally supervise the delivery of educational materials through the educational telecommunications network to Montana schools and assist school districts in using the network.

HB 999 - Provide funding for education programs for children placed in in-state residential treatment facilities - The legislature appropriated general fund for the 1993 biennium to OPI to fund educational programs for children with disabilities who are placed in an in-state children's psychiatric hospital or residential treatment facility. This appropriation was reduced by \$197,680 in the January, 1992 Special Session from the original appropriation of \$2,471,000.

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OPI ADMINISTRATION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	140.23	140.23		140.23	140.23	140.23		140.23
Personal Services	4,409,828	4,217,320	263,290	4,480,610	4,400,628	4,214,638	423,327	4,637,965
Operating Expenses	3,934,137	3,934,137	0	3,934,137	3,521,358	3,521,358	0	3,521,358
Equipment	228,612	228,612	0	228,612	118,296	118,296	0	118,296
Grants	400,800	400,800	0	400,800	406,800	406,800	0	406,800
Transfers	435,074	435,074	0	435,074	435,121	435,121	0	435,121
Total Costs	\$9,408,451	\$9,215,943	\$263,290	\$9,479,233	\$8,882,203	\$8,696,213	\$423,327	\$9,119,540
Fund Sources								
General Fund	3,733,233	3,540,725	116,917	3,657,642	3,524,416	3,338,426	195,391	3,533,817
State Revenue Fund	470,021	470,021	13,644	483,665	381,305	381,305	21,549	402,854
Federal Revenue Fund	4,248,382	4,248,382	96,498	4,344,880	4,089,022	4,089,022	155,608	4,244,630
Proprietary Fund	956,815	956,815	36,231	993,046	887,460	887,460	50,779	938,239
Total Funds	\$9,408,451	\$9,215,943	\$263,290	\$9,479,233	\$8,882,203	\$8,696,213	\$423,327	\$9,119,540

Program Description

At the agency's request, the legislature combined in the Administration program three programs: 1) State Superintendent's office; 2) Central Services; and 3) Educational Services.

The Administration program provides leadership and coordination of services to a variety of school and public groups. The staff provides assistance to the Superintendent of Public Instruction in performing prescribed duties. The program also supports the Superintendent's statutory role with the Board of Public Education, Board of Regents, and Land Board.

The Administration program is responsible for the distribution and accounting of state and federal funds provided to school districts. The program provides data processing, word processing, legal, payroll, personnel, mail, and analytic and accounting support to operations within the Office of Public Instruction (OPI). This program also responds to requests for information and data from school districts, federal programs, elected officials, and the general public. Reference library and school publications functions reside within the program.

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The Administration program administers all federal grants received by OPI. The program includes the budgets for six functions: 1) curriculum assistance; 2) special education; 3) Chapter I administration; 4) secondary vocational education administration; 5) Title IV administration; and 6) other educational services including driver's education, school food services, and audiology.

Special Session Action

The legislature reduced the general fund appropriation for administration by \$192,508 in fiscal 1992 and \$185,990 in fiscal 1993, a reduction of 5 percent.

Language

"[Administration program] includes \$81,564 for fiscal 1992 and \$81,810 for fiscal 1993 appropriated from the traffic safety account for Motorcycle Safety. This appropriation is contingent upon the passage and approval of House Bill 763."

House Bill 763 combines the Motorcycle Safety Training program with the Traffic Education program and consolidates the programs' revenues into one account. The bill also removes the statutory appropriation (Section 61-2-406, MCA) for motorcycle safety administration, thus necessitating that the legislature appropriate the budget for administration of the Motorcycle Safety program.

"The legislature authorizes the addition of 0.5 FTE funded from the federal National Origins grant and 0.5 FTE funded from the federal school foods grant appropriated in [Administration program]."

The following language was added in the January 1992 special session: "Included in [the Administration program] is a biennial appropriation of \$136,000 from the general fund and \$82,000 from the state special revenue fund for audiology services".

Budget as Approved by the Regular 1991 Legislative Session

Personal services increase by 15.83 FTE and 19.8 percent from the 1990 fiscal year due to: 1) vacancy savings experienced in fiscal 1990; 2) the fiscal 1991 pay plan increase continued in the 1993 biennium; 3) budget modifications which added 10.5 FTE; 4) continuing 4.0 FTE added in the 1989 special session's House Bill 16 and House Bill 28 (which required OPI to assist school districts to implement generally accepted accounting practices and the new school equalization bill); and 5) funding the Motorcycle Safety program (which includes 1.3 FTE) in the general appropriation act. In the past, this had been a statutory appropriation. The passage and approval of HB 763 repeals this as a statutory appropriation, requiring appropriation of these funds in House Bill 2.

Operating expenses increase 87.6 percent from fiscal 1990 to fiscal 1992 due to: 1) adding \$1,489,810 of operating expenses from budget modifications; 2) including \$56,526 in the operating expense base to continue operations added in House Bill 16 and House Bill 28; 3) including \$43,962 for the Motorcycle Safety program; 4) budgeting the biennial audit costs in the first year of the biennium, (a \$34,613 increase from actual fiscal 1990 expenditures); 5) increasing consultant services by \$61,000 primarily for education professionals to

OPI ADMINISTRATION

develop curriculum in four areas; 6) increasing travel \$33,363 to increase staff contact with local school district supervisors; 7) increasing computer network costs \$72,000; 8) increasing printing costs \$26,000; and 9) inflationary adjustments of approximately \$25,000.

The equipment budget includes \$228,612 in fiscal 1992 and \$118,296 in fiscal 1993, for office equipment, audiovisual equipment, and computer hardware and software. Included in these totals are \$141,158 in fiscal 1992 and \$39,046 for fiscal 1993 for equipment added by budget modifications.

The budget includes \$435,074 for fiscal year 1992 and \$435,121 for fiscal 1993 in general fund as a transfer to the indirect cost pool. This is a 20.9 percent increase over fiscal year 1990.

Federal grants include: 1) Title IV grants of \$20,800; 2) Migrant Children grants of \$320,000 which are contracted to school districts and 3) \$60,000 for the Jobs for Montana graduates program.

Funding

The Administration program is funded approximately 38 percent from the general fund. General fund increases from fiscal 1990 to 1992 due primarily to the approved budget modifications and current level adjustments. Budget modifications add \$1,001,780 general fund in the 1993 biennium and the continuation of the GAAP accounting standards implementation for school districts function adds \$356,382 to the biennial budget.

State special funds increase as a result of: 1) the inclusion of \$161,992 in the biennium for the motorcycle safety function, which in the past has been appropriated statutorily; 2) increased school food purchases of \$26,032 over the biennium; and 3) \$8,000 from fees deposited in the audiovisual library account.

Federal revenue funds increase 67.6 percent from fiscal 1990 to 1992 due to the budget modifications. The legislature approved federally funded budget modifications totalling \$2.9 million in the 1993 biennium.

The proprietary fund that supports administrative functions funded from indirect costs increase by 24.9 percent.

DISTRIBUTION TO PUBLIC SCHOOLS

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	.00	.00		.00	.00	.00		.00
Local Assistance	48,223,179	72,184,243	0	72,184,243	44,408,209	44,383,809	0	44,383,809
Grants	9,191,600	9,191,600	0	9,191,600	0	0	0	0
Total Costs	\$57,414,779	\$81,375,843	\$0	\$81,375,843	\$44,408,209	\$44,383,809	\$0	\$44,383,809
<u>Fund Sources</u>								
General Fund	44,315,013	68,276,077	0	68,276,077	40,493,752	40,469,352	0	40,469,352
State Revenue Fund	3,908,166	3,908,166	0	3,908,166	3,914,457	3,914,457	0	3,914,457
Federal Revenue Fund	9,191,600	9,191,600	0	9,191,600	0	0	0	0
Total Funds	\$57,414,779	\$81,375,843	\$0	\$81,375,843	\$44,408,209	\$44,383,809	\$0	\$44,383,809

Program Description

The Distribution to Public Schools program is used by the Office of Public Instruction to distribute various funds to local education agencies. The "pass-through" funds contained in this budget include the state's share of special education, transportation, school lunch, adult basic education, gifted and talented, discretionary federal funds, and traffic safety funds.

Special Session Action

The legislature reduced the following HB2 appropriations within the Distribution to Schools program: 1) gifted & talented by \$24,000 each year; 2) secondary vocational education by \$144,000 over the biennium; 3) impact aid by \$400 each year; and 4) the special education contingency by \$536 in fiscal 1992. In addition, the legislature reduced the House Bill 999 appropriation for education programs for children placed into psychiatric hospital and residential treatment facilities by 8 percent, \$197,680 for the biennium. The legislature also approved a biennial appropriation of \$24.1 million general fund to the school equalization account to fund the foundation payments and other appropriations approved by the 1991 legislature.

DISTRIBUTION TO PUBLIC SCHOOLS

Language

"[Special Education Contingency] is a biennial appropriation. This appropriation is for unforeseen expenses that may arise in special education programs in local districts. A district board of trustees may apply for an allocation from these funds by presenting to the superintendent of public instruction, for each child, a child-study (CST) report and an individual education plan (IEP) relating to this unforeseen expense or, if the need for additional personnel is due to case load excess, a board of trustees verification of completed IEP's and CST's. In addition, a current listing of program, case loads, and related costs must be submitted. Contingency funds may be awarded for positions that have gone unfilled for an entire school year and for which regular state special education funds were not awarded. The agency may transfer any unused balance in this appropriation into the special education appropriation, item 2.a."

"All revenue received in the state traffic education account under the provisions of 20-7-504, MCA, is appropriated as provided in Title 20, Chapter 7, Part 5, MCA."

The following language was added in the January 1992 special session: "The superintendent of public instruction may use any unexpended general fund appropriation, excluding [supplemental funding for the school equalization aid account], to restore the appropriations for special education contingency, gifted and talented, secondary vocational education, and out-of-district placements up to but not exceeding the amount authorized by Chapter 815 and Chapter 765, Laws of 1991. Any unexpended appropriation balances in fiscal 1992 in items [special education] through [impact aid] may be carried in and expended in fiscal 1993."

Budget as Approved by the Regular 1991 Legislative Session

Table 1 on the following page details the local assistance and grants included in the Distribution to Schools program. Each assistance program is briefly described following Table 1.

In addition to the assistance programs and grants listed in Table 1, OPI also distributes the school foundation schedule and guaranteed tax base payments to local school districts. Because funds for these programs are statutorily appropriated, they are not included on the program table or Table 1.

DISTRIBUTION TO PUBLIC SCHOOLS

Table 1
DISTRIBUTION TO PUBLIC SCHOOLS BY FUND TYPE

BUDGET ITEM	ACTUAL FISCAL 1990	ACTUAL FISCAL 1991	APPROPRIATION FISCAL 1992	APPROPRIATION FISCAL 1993
GENERAL FUND PROGRAMS				
Special Education	\$33,350,530	\$33,333,832	\$32,845,797	\$32,845,797 *
Special Ed contingency	486,907	543,426	2,031,163	
Transportation	6,458,483	5,852,894	6,483,120	6,493,558
School Foods	599,397	599,397	599,397	599,397
Gifted & Talented	99,867	99,999	276,000	276,000 *
Secondary Vo-ED	899,730	900,000	1,656,000	
Adult Basic Education	200,000	249,640	250,000	250,000 *
Impact Aid	3,908	4,850	4,600	4,600 *
School Equalization supplemental	0	0	24,130,000	
Total General Fund	\$42,098,822	\$41,584,038	\$68,276,077	\$40,469,352
STATE SPECIAL REVENUE				
Traffic Safety Distrib.	\$1,200,000	\$1,098,255	**	**
Transportation	0	0	\$3,908,166	\$3,914,457
FEDERAL DISCRETIONARY GRANTS				
a) EHA - B	\$198,500	\$403,446	\$1,356,000	*
b) JTPA	522,873	477,310	1,017,200	*
c) Adult Basic Ed	539,018	578,058	1,198,000	*
d) McKinney Homeless	63,806	17,287	140,400	*
e) Pre-School Incentive	258,003	67,839	230,000	*
f) Vocation Education	2,540,099	2,293,103	5,000,000	*
g) English Literacy	0	0	25,000	*
h) EHA - D	0	18,895	45,000	*
i) Chapter 1	0	0	180,000	*
Total Federal Funds	\$4,122,299	\$3,855,938	\$9,191,600	\$0
Total Distribution to Public Schools Program	\$47,421,121	\$46,538,231	\$81,375,843	\$44,383,809

*Biennial Appropriations

**Language Appropriation

DISTRIBUTION TO PUBLIC SCHOOLS

Special Education and Special Education Contingency - Federal and state laws require school districts to provide an appropriate public education program for all handicapped children. Special education provides this education for children with a variety of handicapping conditions. The legislature adopted the total Executive Budget recommendation for these distribution programs but reallocated the funds by year and purpose. The 1991 legislature combined the executive recommendation for the regular and contingency special education programs (totalling \$67,723,293 for the 1993 biennium) and allocated 3.0 percent of this as a biennial contingency appropriation. The remainder was allocated for the general special education appropriation and was evenly divided between fiscal years. The appropriation was reduced by \$536 in the January 1992 special session.

Special education contingency funds are awarded by OPI to meet unexpected needs in district special education budgets. It is the legislature's intent that any unused balance in the special education contingency appropriation may be transferred into the general special education appropriation for distribution to school districts.

Transportation - School districts providing student transportation from home to school in excess of three miles are entitled to a statutory reimbursement based upon rate per mile, bus size, and occupancy. As a result of Senate Bill 82 enacted by the 52nd Legislature, the state's share of this reimbursement for regular elementary students changed from one-third to one-half of the statutory rate, which is the same as the present share paid for secondary students. For special education students, the state's share is increased from two-thirds to 100 percent of the approved cost per mile. SB 82 also increased the cost per bus mile for a bus with a rated capacity of 12 to 45 from 80 cents per mile to 85 cents, a 6.25 percent increase. Reflecting the supplemental appropriation required in fiscal 1991, the budget in HB 2 includes \$6,483,120 general fund for fiscal 1992 and \$6,493,558 general fund for fiscal 1993 for the state's share of reimbursable transportation costs. This is a \$230,226 general fund increase in fiscal 1992 and \$240,664 general fund increase in fiscal 1993 over the fiscal 1991 appropriated level prior to the supplemental. As a result of the passage of Senate Bill 82 the legislature appropriated \$3,908,166 for fiscal year 1992 and \$3,914,457 for fiscal 1993 from the school equalization account to fund the portion of school transportation formerly paid from county equalization.

School Foods - School foods funds provide for the state's required maintenance of effort for federal school food reimbursements. Each state must expend up to 30 percent of the federal contribution in the base 1980-1982 school years. Reductions in this required maintenance of effort level are allowed for states whose average income is below the national average. The amount appropriated for each fiscal year is equal to the level appropriated and expended in fiscal 1990.

Gifted and Talented - The Gifted and Talented program was initiated in fiscal 1982 to provide funds to local school districts to begin or maintain programs for gifted and talented students. The 1991 legislature appropriated \$300,000 general fund each year of the 1993 biennium for this program. This appropriation was reduced by \$24,000 each year during the January 1992 special session.

Secondary Vocational Education - The budget includes \$1,656,000 as a biennial appropriation for the 1993 biennium for secondary vocational education grants to local school districts. This is a reduction of \$144,000 from the level appropriated by the regular session of the legislature. These grants fund "excess" costs associated with secondary vocational education programs and are in addition to school foundation funds and district levies. "Excess" costs are those additional costs for vocational education not associated with other programs, such as additional equipment and full year teaching contracts.

DISTRIBUTION TO PUBLIC SCHOOLS

Adult Basic Education - Adult Basic Education provides high school level education to persons who wish to receive their high school equivalency degree. The 1989 legislature funded Adult Basic Education at \$200,000 in fiscal 1990 and \$250,000 in fiscal 1991 from the general fund. The 1993 biennium budget includes \$250,000 general fund each year of the 1993 biennium.

Impact Aid - Section 20-9-304, MCA, allows supplementary payments to school districts that provide education to children of employees of public institutions. The appropriation of \$4,600 of general fund each year is a reduction of \$400 from the regular session appropriation.

School Equalization Supplemental - Due to an anticipated revenue shortfall to the school equalization account during the 1993 biennium, \$24,130,000 general fund was appropriated to the account.

Traffic Safety Distribution - Language is included that appropriates all revenues received in the state traffic education account for this program to OPI for distribution to public schools.

Federal Discretionary Funds - These funds are received from the U.S. Department of Education for use by local school districts in the manner prescribed by each federal act authorizing the grants. Because OPI has discretion regarding the final grant recipients, these funds must be appropriated by the legislature. All federal grant funds are biennial appropriations. The budget includes: 1) \$1,356,000 for the Education of the Handicapped Act; 2) \$1,017,200 for the Job Training Partnership Act; 3) \$1,198,000 for Adult Basic Education; 4) \$140,400 for the McKinney Homeless Act; 5) \$230,000 for pre-school handicapped programs; 6) \$5,000,000 for secondary vocational education; 7) \$25,000 for the English literacy; 8) \$45,000 education of the handicapped; and 9) \$180,000 for Chapter 1 funds for staff development.

MONTANA UNIVERSITY SYSTEM

System Description

The Montana University System (MUS) consists of the Commissioner of Higher Education, the three community colleges, the five vocational-technical centers, the six university units, the Agriculture Experiment Station, the Cooperative Extension Service, the Forestry and Conservation Experiment Station, the Bureau of Mines, and the Fire Services Training School. During the January 1992 special session, the legislature reduced the general fund appropriation for MUS by \$10,944,473 for the biennium. In addition, the legislature increased tuition revenue spending authority by \$5,178,760 in fiscal 1993.

Special Session Action

		Executive Budget Proposal			Legislative Budget Action		
		= = = = =			= = = = =		
Description	Pgm	- - - Fiscal 1992 - - -	- - - Fiscal 1993 - - -	- - - Fiscal 1992 - - -	- - - Fiscal 1993 - - -	- - - Fiscal 1992 - - -	- - - Fiscal 1993 - - -
		General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
House Bill 2							
1 Commissioner of Higher Ed	All	(\$307,913)		(\$691,999)		(\$362,913)	
2 Community Colleges							
Dawson	04	(32,356)		(96,302)		(32,356)	
Miles	04	(38,605)		(114,903)		(38,605)	
Flathead Valley	04	(81,673)		(243,089)		(81,673)	
3 Vocational-Technical Centers							
Billings	All	(9,773)		(141,145)		(9,773)	
Butte	All	(11,343)		(168,056)		(11,343)	
Great Falls	All	(12,520)		(187,680)		(12,520)	
Helena	All	(15,788)		(225,415)		(15,788)	
Missoula	All	(16,101)		(228,123)		(16,101)	
4 Six University Units							
MSU	All	(553,260)		(4,122,188)		(553,260)	
UM	All	(451,183)		(3,285,445)		(451,183)	
EMC	All	(170,082)		(1,220,179)		(170,082)	
MHC	All	(96,194)		(701,481)		(96,194)	
WMCUM	All	(55,504)		(404,255)		(55,504)	
MCMST	All	(116,122)		(846,823)		(116,122)	
						(2,870,909)	
						(2,672,011)	
						(855,491)	
						(387,812)	
						(250,655)	
						(510,299)	
							\$5,178,760

MONTANA UNIVERSITY SYSTEM

Description	Pgm	Fiscal 1992		Fiscal 1993		Fiscal 1992		Fiscal 1993	
		General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
5 Ag Experiment Station	All	(117,418)		(870,203)		(117,419)		(214,819)	
6 Coop Extension Service	All	(44,746)		(335,259)		(44,746)		(82,408)	
7 Forest/Conservation Exp Sta	All	(20,054)		(147,659)		(11,068)		(36,536)	
8 Bureau of Mines	All	(11,068)		(81,320)		(20,054)		(20,172)	
9 Fire Services Training School	All	(3,818)		(26,364)		(3,818)		(6,442)	
Grand Totals		(\$2,165,521)		(\$14,137,888)		(\$2,220,522)		(\$8,723,951)	\$5,178,760

In October, 1991, Executive Order 28-91 reduced the fiscal 1992 general fund appropriation to the MUS by a total of \$6,838,521. Discretion to meet the reduction and allocate it among the various components of the MUS was given to the Board of Regents. The board's response (adopted at its November 1991 meeting) included \$2,165,521 of expenditure reductions and \$4,673,000 in increased tuition revenues from a one-time surcharge. The tuition surcharge totaled \$15 per semester credit hour for all students at the six university units and the five vocational-technical centers, or \$210 and \$180 per full-time student, respectively. At its December meeting, the board delayed implementation of the tuition surcharge until January 31, 1992, pending action by the legislature during the special session.

Legislative Action - Fiscal 1992 During the January 1992 special session, the legislature reduced the general fund appropriation to the MUS by \$2,220,522, rather than the \$6,838,521 included in the original executive order, eliminating the need for a tuition surcharge. (The Board of Regents subsequently voted to eliminate the surcharge at its January 1992 meeting). The allocation of this budget reduction among the components of the MUS is based upon the original allocation of \$2,165,521 in expenditure reductions by the board adopted at its October 1991 meeting, plus an additional reduction in the Office of the Commissioner of Higher Education of \$55,001.

Legislative Action - Fiscal 1993 The legislature made two adjustments:

- 1) General fund support was reduced by \$8,723,951. This reduction was allocated among the various components based upon their share of the total general fund appropriated to the MUS by the 1991 legislature, with the exception of community college assistance, which was reduced by 4 percent of the fiscal 1992 appropriation.
- 2) Tuition revenue authority of \$5,178,760 was added. Language in House Bill 2 authorizes the Board of Regents to allocate this authority among all components of the MUS (with the exception of the Office of the Commissioner of Higher Education) to offset a portion of the general fund reduction. While the legislature cannot dictate the size of any tuition increase, language in House Bill 2 expresses the legislature's intent that any tuition increase be no more than \$7 per semester credit hour for resident students and \$47 per semester credit hour for non-resident students, which is the difference between current tuition and fees at the University of Montana and Montana State University and the average tuition and fees charged at their peer institutions.

MONTANA UNIVERSITY SYSTEM

Two further actions were taken by the legislature during the special session: 1) language in House Bill 2 authorizes the Board of Regents to allocate the reductions within each component among that component's programs; and 2) the MUS, with the exception of the Office of the Commissioner of Higher Education, was exempted from the vacancy savings requirements of Section 7 of House Bill 2, which states that: a) positions vacant for over 6 months may only be filled after approval of the approving authority (the Board of Regents); and b) positions vacant for over one year cannot be included in the agency's 1995 biennium budget base.

In addition to the reductions shown above, the legislature made three adjustments in the appropriation to the Department of Administration for MUS building projects that resulted in a general fund reduction of \$1,232,500: 1) general fund appropriated for gymnasium repairs at NMC was reduced by \$1,017,000 (\$934,500 of this total was replaced with capital projects funds); 2) the \$600,000 general fund appropriation for deferred maintenance was reduced by \$82,500 to \$517,500; and 3) general fund appropriated for the Engineering/Physical Science building at MSU was reduced by \$133,000. (These funds were replaced by additional higher education funds/donations.) The legislature also added \$150,000 in other funds for increased costs of a multi-purpose facility at the Agriculture Experiment Station.

Language

The Executive Budget proposed an additional \$4,673,000 in general fund reductions in fiscal 1992 if the executive proposal to convert all state liquor stores to agency stores was not adopted. In order to sever the relationship between these proposals, the following language was inserted in House Bill 2 at the beginning of section E:

"The general fund reduction to the Montana university system is not contingent on or tied to any action concerning the operation of state liquor stores."

COMMISSIONER OF HIGHER EDUCATION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	67.45	67.45		67.45	66.95	66.95		66.95
Personal Services	1,969,222	1,606,309	210,255	1,816,564	1,952,817	1,798,897	337,111	2,136,008
Operating Expenses	2,346,676	2,346,676	0	2,346,676	2,288,338	2,288,338	0	2,288,338
Equipment	147,100	147,100	0	147,100	146,000	146,000	0	146,000
Local Assistance	3,887,356	3,734,722	0	3,734,722	4,290,246	4,137,612	0	4,137,612
Grants	7,344,439	7,344,439	0	7,344,439	7,406,590	7,406,590	0	7,406,590
Benefits and Claims	12,689,935	12,689,935	0	12,689,935	14,964,223	14,964,223	0	14,964,223
Transfers	3,278,447	3,278,447	0	3,278,447	3,127,953	8,306,713	0	8,306,713
Debt Service	706,255	706,255	0	706,255	698,153	698,153	0	698,153
Total Costs	\$32,369,430	\$31,853,883	\$ 210,255	\$32,064,138	\$34,874,320	\$39,746,526	\$337,111	\$40,083,637
Fund Sources								
General Fund	10,894,523	10,378,976	120,215	10,499,191	11,139,398	10,832,844	\$194,825	11,027,669
Federal Revenue Fund	7,574,975	7,574,975	83,678	7,658,653	7,550,465	7,550,465	132,233	7,682,698
Proprietary Fund	13,899,932	13,899,932	6,362	13,906,294	16,184,457	16,184,457	10,053	16,194,510
Current Unrestricted	0	0	0	0	0	5,178,760	0	5,178,760
Total Funds	\$32,369,430	\$31,853,883	\$210,255	\$32,064,138	\$34,874,320	\$39,746,526	\$337,111	\$40,083,637

Agency Description

The Commissioner of Higher Education is the chief administrative officer of the Montana University System. Article X, Section 9 of the Montana Constitution provides that the Board of Regents appoint the commissioner and prescribe the powers and duties of the office. The commissioner and agency personnel are responsible for providing leadership, technical assistance, and staff support to the Board of Regents and postsecondary education agencies to enable coordination, consistent regulations and management, evaluation of policies and programs, and long-range planning. The agency provides budgetary planning and funds distribution for the postsecondary education agencies under its control, as well as administration for both state and federal student assistance programs.

COMMISSIONER OF HIGHER EDUCATION

Special Session Action

		Executive Budget Proposal		Legislative Budget Action	
		Fiscal 1992	Fiscal 1993	Fiscal 1992	Fiscal 1993
		General Fund	Other Funds	General Fund	Other Funds
House Bill 2					
1 CHE Program Reduction		ALL (\$307,913)		(153,920)	\$5,178,760
2 Community College Asst.					
3 Dawson		(32,356)	(96,302)	(32,356)	
4 Flathead Valley		(81,673)	(243,089)	(81,673)	
5 Miles		(38,605)	(114,903)	(38,605)	
Grand Totals		(\$460,547)	(\$1,146,293)	(\$515,547)	5,178,760

The legislature imposed two general fund budget reductions in this agency: 1) \$362,913 for fiscal 1992 and \$153,920 for fiscal 1993 in agency-wide reductions; and 2) a \$152,634 reduction in community college assistance each year of the biennium. Since the agency will be allowed to allocate the general agency-wide reduction among programs, it is reflected in the agency table above but is not reflected in individual program tables and not discussed in the program narratives. The last program in the agency, entitled "Budget Reduction", shows the agency-wide budget reduction imposed on the Office of the Commissioner of Higher Education by the legislature during the special session. A brief discussion of the community college assistance reduction is included within that program's narrative. Also included in the agency table but not in any program table is \$5,178,760 of additional tuition revenue in anticipation of an increase in tuition charges in fiscal 1993 by the Board of Regents. For a further discussion, see the narrative accompanying the table in the "Special Session Action" section of the Montana University System.

Language

"[The budget reduction line items] reduce the commissioner of higher education's total general fund appropriation. The commissioner of higher education, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly."

"[The tuition increase line item] is additional spending authority for tuition revenue. This tuition may, in the discretion of the board of regents, be distributed among agencies of the Montana university system with the following restriction: all tuition revenue

COMMISSIONER OF HIGHER EDUCATION

must be distributed to agencies other than the office of the commissioner of higher education. It is the intent of the 52nd legislature that the board of regents increase total tuition and fee charges at the six university units by no more than \$7 per credit hour for resident students and \$47 per credit hour for nonresident students, which is the equivalent of the difference between charges at Montana state university and the university of Montana and the average of their peer institutions."

Budget as Approved by the Regular 1991 Legislative Session

The Commissioner's Office agency budget increases from fiscal 1990 to 1992 due primarily to increased health claims costs, increased assistance to the community colleges, and nine budget modifications adding \$940,850 and 8.3 FTE in fiscal 1992 and \$777,567 and 7.8 FTE in fiscal 1993.

The legislature implemented a 4 percent across-the-board reduction in funding for the total agency personal services in fiscal 1992 and 1993. The total personal services reduction was \$78,871 in fiscal 1992 and \$78,193 in fiscal 1993. One and one-half positions were removed from the budget because they were vacant all or a major portion of fiscal 1990 and 1991 and a .50 FTE financial assistant was added each year due to increased workload. Personal services increase 33.2 percent from fiscal 1990 to 1992 due to the net of vacancy savings experienced in fiscal 1990 less the 4 percent reduction in fiscal 1992, the fiscal 1991 pay plan continuation in fiscal 1992 and 1993, the budget modifications, position classification upgrades approved for the Guaranteed Student Loan program, and the half-time financial assistant position added in the 1993 biennium.

While operating expenses show a significant increase in the table, this is partly due to \$587,000 of administrative expense formerly recorded as benefits being reclassified as operating expenses in the 1993 biennium. In addition, the budget modifications add approximately \$282,000 annually to operating expenses. The equipment budget increases 74.0 percent because the budget modifications add \$116,100 in fiscal 1992 and \$115,000 in fiscal 1993.

Local assistance is the state support for the community colleges and the Western Interstate Commission for Higher Education (WICHE) administrative fee. Community college support increases because of: 1) higher enrollment in fiscal 1989 and 1990; 2) increasing the cost factor from \$3,907 in fiscal years 1990 and 1991 to \$4,031 in fiscal 1992 and \$4,163 in fiscal 1993; and 3) increasing the state share from 47.0 percent in fiscal 1990 and 1991 to 51.0 percent in fiscal 1992 and 55.0 percent in fiscal 1993. The WICHE administrative fee increased 9.7 percent in the 1993 biennium.

Grants and transfers include the interstate student assistance programs, federal student aid programs, state work study, federal vocational education grants for postsecondary and secondary institutions, other federal grants, and the vo-tech center contingency. Benefits and claims include estimated insurance claims costs for faculty and staff covered by the Montana State University Group Insurance program in fiscal 1992 and 1993. Debt service includes the bond payments necessary to retire the debt on the vocational-technical center buildings acquired from the local high school districts in Billings, Butte, and Great Falls.

Summary of Budget Modifications

COMMISSIONER OF HIGHER EDUCATION

		FY 1992-	FY 1993-	
PGM	FTE	General Fund	Other Funds	
1) Regents Emp. Reporting System	01	\$121,053		
2) Increased SEDG Match	02	63,590		
3) Increased Perkins Loan Match	02	36,270		
4) State Work Study - Min Wage	02	105,203		
5) Group Insurance Add'l Costs	05			
6) Talent Search Add'l Fed Funds	06			
7) GSL Additional Workload	12			
8) Supplemental Pre-Claims Unit	12			
9) Vo-Tech Center Contingency	15			
TOTALS	8.30	\$476,116	\$464,734	\$465,080

1) Regents' Employee Reporting System - The 1989 legislature enacted House Bill 26 requiring the development of a centralized personnel reporting system for the university system and vocational-technical centers. The system has been implemented and is currently on-line. The budget includes \$228,477 general fund for the 1993 biennium for system administration, utilization charges, and equipment. The modification includes 1.0 FTE in fiscal 1992 and 0.50 FTE in fiscal 1993.

2) Increased SBOG match - The state match required for the federal Supplemental Educational Opportunity Grant funds has increased from 5.0 percent in fiscal 1990 to 15.0 percent in fiscal years 1992 and 1993. The additional general fund cost is \$63,590 each year of the 1993 biennium.

3) Increased Perkins Loan match - The state match required for the federal Perkins Loan funds is \$1 of state funds for each \$9 of federal funds. The amount of Perkins Loan funds currently allocated to the campuses exceeds the matching capacity of state funds appropriated for this purpose. The budget modification includes an additional \$36,270 annually in the 1993 biennium to provide full state match capability to the anticipated level of Perkins Loan funds in the 1993 biennium.

4) State Work Study - Minimum Wage Increase - An additional \$105,203 general fund was approved for each year of the 1993 biennium due to the minimum wage increase, which went into effect April 1, 1991. The modification is intended to provide student work study funds to approximately the same number of students in the 1993 biennium as received the benefits in the 1991 biennium.

5) Group Insurance Additional Costs - One FTE clerical staff and additional operating expenses were added to the budget, reflecting the additional services and costs requested through budget amendment in fiscal 1991. Most of the additional operating costs are for actuarial consultant services. The budget modification is funded from premium revenues and interest earnings from the group insurance account.

COMMISSIONER OF HIGHER EDUCATION

- 6) Talent Search Additional Federal Funds - Additional federal funds for this program are anticipated in the 1993 biennium to expand services to targeted seventh and eighth graders. The agency received a budget amendment for this purpose in the 1991 biennium.
- 7) GSL Additional Workload - Three FTE and approximately \$235,300 are authorized annually to fully recognize the loan servicing function of the Guaranteed Student Loan program. This budget modification continues a budget amendment approved for fiscal years 1990 and 1991.
- 8) Supplemental Pre-Claims Unit - New federal law requires guarantee agencies to offer supplemental pre-claims assistance to its lenders. Two positions are authorized for this purpose.
- 9) Vo-Tech Center Contingency - The legislature approved a \$150,000 biennial general fund appropriation for contingency funds at the vocational-technical centers. The Office of Commissioner of Higher Education is authorized to transfer the contingency funds to one or more of the centers to mitigate any unforeseen problems that may occur in implementing the vo-tech funding formula.

Funding

General fund supports the Administration program, the Student Assistance program, the community colleges, one-half of the administrative expense in the Carl D. Perkins Administration program, the Board of Regents, the vocational-technical building bond payments, and the Vo-Tech Administration program. General fund increases 15.3 percent largely because of the budget modifications in the Administration, Student Assistance, and Vo-Tech Center Administration programs and the increase provided to the community colleges.

State special revenue in fiscal 1990, which was interest earnings from the education trust fund, was used in the student assistance program. Since the principal of the trust has been appropriated, there will be no further interest earnings.

Federal revenue includes Carl Perkins Vocational Education funds, student aid funds, administrative allowance payments and other state grants under the Higher Education Act of 1965 as amended, and grants from the Dwight D. Eisenhower Math & Science Education Act of 1988. Overall, these funds increase 35.7 percent.

Proprietary funds are the premium payments and interest earnings received from the group insurance program.

"Other" funds are additional tuition revenues added by the legislature in special session in January, 1992. The total is the amount anticipated to be collected if the regents were to raise tuition by \$7 per credit hour for resident students and \$47 per credit hour for non-resident students, which is the average difference between charges at Montana State University and the University of Montana and their peer institutions. These funds would be allocated to the various components of the Montana University System to offset budget reductions. This addition is not included in any of the program tables that follow. For a more detailed discussion, please reference the narrative discussion within the "Special Session Action" section of the Montana University System.

Other Legislation

COMMISSIONER OF HIGHER EDUCATION

Bill No./Description	Fiscal 1992		Fiscal 1993	
	FTE	General Fund	FTE	General Fund
		Total Funds		Total Funds
HB 125 - Minority Achievement*		\$175,648		\$29,500
HB 30 - Telecommunications**		0	0	6,292
HB 974 - Rural Physician**		0	0	
Total	0.00	\$175,648	0.00	\$35,792

*Biennial Appropriation

**Estimated Amounts

HB 125 - Minority Achievement - The legislature approved a \$175,648 biennial general fund appropriation to support the staff and operation of the director of American Indian/minority achievement in the Office of the Commissioner of Higher Education. One purpose of the legislation is to continue the data collection and analysis begun by the Montana "TRACKS" project, a project supported by a private grant in the 1991 biennium.

HB 30 - Telecommunications - This bill requires the university system, vocational technical centers, and community colleges to collect an amount not exceeding \$1 for each enrolled full-time equivalent student from appropriate discretionary funds and deposit those funds with the Office of the Commissioner of Higher Education to be used to pay the Department of Administration for the commissioner's share of telecommunications network costs.

HB 974 - Rural Physician Incentive Program - The legislature established this program to encourage physicians to locate in rural Montana areas. The program provides an incentive to physicians locating in rural Montana by paying a portion of the physician's educational debt, up to \$30,000 over a 4-year period. This program is funded by an additional assessment to all students participating in the WICHE or WAMI medical student assistance programs beginning with the new students that start the WICHE or WAMI medical student assistance programs in fiscal 1993. House Bill 974 authorizes the Office of the Commissioner of Higher Education to use up to 10 percent of the annual fees for administrative purposes. The amount included in the above table is the estimated administrative cost for fiscal 1993.

ADMINISTRATION PROGRAM

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	15.05	15.05		15.05	14.55	14.55		14.55
Personal Services	639,027	639,027	114,867	753,894	625,543	625,543	186,313	811,856
Operating Expenses	360,216	360,216	0	360,216	328,960	328,960	0	328,960
Equipment	7,100	7,100	0	7,100	6,000	6,000	0	6,000
Total Costs	\$1,006,343	\$1,006,343	\$114,867	\$1,121,210	\$960,503	\$960,503	\$186,313	\$1,146,816
<u>Fund Sources</u>								
General Fund	1,006,343	1,006,343	114,867	1,121,210	960,503	960,503	186,313	1,146,816
Total Funds	\$1,006,343	\$1,006,343	\$114,867	\$1,121,210	\$960,503	\$960,503	\$186,313	\$1,146,816

Program Description

The Administration Program provides the funding for the constitutionally mandated position of Commissioner of Higher Education as the chief administrative officer of the Montana University System and chief administrative officer for postsecondary vocational-technical education in Montana. The administration program also includes personnel to assist the commissioner in securing implementation of Board of Regents policy and establishing administrative regulations in the following major functional areas: general administration of the university system and vocational-technical centers; academic, financial, and legal administration; labor relations and personnel administration; and student assistance administration.

Budget as Approved by the Regular 1991 Legislative Session

The Administration program budget increases from fiscal 1990 to fiscal 1992 due to increased personal services costs and operating expenses. Personal services increase 1.50 FTE and 12.0 percent from fiscal 1990 to 1992 for the following reasons: 1) the 1991 biennium pay plan is continued into the 1993 biennium; 2) approximately \$13,800 of salary increases for exempt staff that exceeded the 1989 biennium pay plan increases are included in the 1993 biennium personal services budget (of the 13.55 positions included in this program in fiscal 1990, 8.7 are on Board of Regents' contract and are exempt positions); 3) the additional staff added by the legislature (a 1.0 FTE in fiscal 92 and .50 FTE in fiscal 93 for the Regents' Employee Reporting System and a 0.50 FTE additional financial assistant) increase the personal services budget approximately \$48,000 in fiscal 1992 and \$35,000 in fiscal 1993; and 4) four percent personal services reductions implemented for this agency offset the approved increases by \$25,785 in fiscal 1992 and \$25,222 in fiscal 1993.

ADMINISTRATION PROGRAM

Operating expenses increase 44.9 percent due primarily to the budget modification, which adds \$93,228 annually to the operating expense base. Other base adjustments include increased audit fees (from \$16,202 paid in fiscal 1990 to \$20,519 budgeted in fiscal 1992) and a temporary \$14,850 rent increase for fiscal 1992 and \$3,713 for fiscal 1993. The Commissioner's office expects to move into the MHESAC building October 1, 1992, with annual rent payments not to exceed \$84,150, or the amount paid in fiscal 1990. The budget also includes \$6,975 in fiscal 1992 and \$7,394 in fiscal 1993 for liability insurance premiums paid to the Tort Claims Division, Department of Administration.

The equipment budget is for computer purchase and replacement.

STUDENT ASSISTANCE PROGRAM

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	.00	.00		.00	.00	.00		.00
Local Assistance	71,500	71,500	0	71,500	75,000	75,000	0	75,000
Grants	5,202,174	5,202,174	0	5,202,174	5,264,325	5,264,325	0	5,264,325
Total Costs	\$5,273,674	\$5,273,674	\$0	\$5,273,674	\$5,339,325	\$5,339,325	\$0	\$5,339,325
<u>Fund Sources</u>								
General Fund	4,993,674	4,993,674	0	4,993,674	5,059,325	5,059,325	0	5,059,325
Federal Revenue Fund	280,000	280,000	0	280,000	280,000	280,000	0	280,000
Total Funds	\$5,273,674	\$5,273,674	\$0	\$5,273,674	\$5,339,325	\$5,339,325	\$0	\$5,339,325

Program Description

The Student Assistance Program consists of: the Western Interstate Commission on Higher Education (WICHE) Student Exchange Program which provides education opportunities for Montana students in the fields of medicine, dentistry, veterinary medicine, optometry, public health, occupational therapy, and podiatry; the Washington, Alaska, Montana, Idaho (WAMI) program - a cooperative agreement for medical education; the cooperative dental education agreement with the University of Minnesota; the State Student Incentive Grant (SSIG) program which provides grant funds to needy students - 50 percent from federal funds and 50 percent matching state funds; the Paul Douglas Teacher Scholarship Program, a federally funded scholarship program awarded to full-time students pursuing teaching careers; the Perkins Loan fund (formerly NDSL) which provides funds to students by the postsecondary institutions matching a basic amount appropriated by the legislature; the state matching dollars for the federal Supplemental Educational Opportunity Grant (SEOG); and the state's share of Montana's Workstudy Program (Title 20, Chapter 25, Part 7, MCA).

Language

"[The Student Assistance Program] includes \$68,400 general fund in fiscal 1992 and \$114,000 general fund in fiscal 1993 for three new medical student WICHE slots in fiscal 1992 and three continuing medical student WICHE slots and two new medical student WICHE slots in fiscal 1993."

Budget as Approved by the Regular 1991 Legislative Session

The 1993 biennium budget increases 11.7 percent due to cost increases in the interstate student assistance programs, the approved budget modifications addressing federally-mandated state match increases in Supplemental Educational Opportunity Grants (SEOG) and Perkins loan funds, and increased state work study funds to cover minimum wage increases. Table 1 details the interstate student assistance and student aid budgets contained in this program.

STUDENT ASSISTANCE PROGRAM

Table 1
Student Assistance Program Budget Detail
1993 Biennium

Program	Actual Fiscal 1990	Executive Fiscal 1992	Legislature Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	Legislature Fiscal 1993	Difference Fiscal 1993	Change 1990-92
Interstate Student Assistance Programs								
WICHE DUES	\$65,100	\$71,500	\$71,500	\$0	\$75,000	\$75,000	\$0	9.83%
WICHE ASSISTANCE								
Medicine		\$456,000	\$524,400	(\$68,400)	\$387,600	\$501,600	(\$114,000)	
Osteopathic Medicine		44,400	44,400	\$0	46,000	46,000	\$0	
Dentistry		124,000	124,000	\$0	129,000	129,000	\$0	
Veterinary Medicine		754,400	754,400	\$0	736,000	736,000	\$0	
Optometry		108,800	108,800	\$0	92,300	92,300	\$0	
Occupational Therapy		28,500	28,500	\$0	17,234	17,234	\$0	
Public Health		13,199	13,199	\$0	14,666	14,666	\$0	
Podiatry		22,800	22,800	\$0	31,600	31,600	\$0	
WICHE Total	\$1,636,232	\$1,552,099	\$1,620,499	(\$68,400)	\$1,454,400	\$1,568,400	(\$114,000)	-0.96%
MINNESOTA RURAL DENTISTRY	\$93,600	\$86,800	\$86,800	\$0	\$77,400	\$77,400	\$0	-7.26%
WAMI	1,966,854	2,244,169	2,244,169	\$0	2,367,819	2,367,819	\$0	14.10%
Total Student Assistance	\$3,761,786	\$3,954,568	\$4,022,968	(\$68,400)	\$3,974,619	\$4,088,619	(\$114,000)	6.94%
Student Aid Programs								
SSIG	\$415,195	\$440,000	\$440,000	\$0	\$440,000	\$440,000	\$0	5.97%
Perkins Loan Program	55,000	55,000	91,270	(\$36,270)	55,000	91,270	(\$36,270)	65.95%
Paul Douglas Teacher Sch.	58,458	82,728	60,000	\$22,728	82,728	60,000	\$22,728	2.64%
State Work Study Program	386,147	391,587	496,790	(\$105,203)	391,587	496,790	(\$105,203)	28.65%
SEOG	46,118	99,056	162,646	(\$63,590)	99,056	162,646	(\$63,590)	252.67%
Total Student Aid	\$960,918	\$1,068,371	\$1,250,706	(\$182,335)	\$1,068,371	\$1,250,706	(\$182,335)	30.16%
Total Program Costs	\$4,722,704	\$5,022,939	\$5,273,674	(\$250,735)	\$5,042,990	\$5,339,325	(\$296,335)	11.67%
Funding								
General Fund	\$4,229,745	\$4,720,211	\$4,993,674	(\$273,463)	\$4,740,262	\$5,059,325	(\$319,063)	18.06%
State Revenue Fund	237,705	0	0	0	0	0	0	-100.00%
Federal Revenue Fund	255,254	302,728	280,000	22,728	302,728	280,000	22,728	9.69%
Total Funds	\$4,722,704	\$5,022,939	\$5,273,674	(\$250,735)	\$5,042,990	\$5,339,325	(\$296,335)	11.67%
Interstate Student Assistance Programs								

Interstate Student Assistance Programs

The Interstate Student Assistance program budget increases 6.9 percent between fiscal years 1990 and 1992 due to cost increases rather than additional services. The legislature funded this program at a level which will reduce the number of "new student" slots by 8 and

STUDENT ASSISTANCE PROGRAM

2 in fiscal years 1992 and 1993, respectively, compared to the fiscal 1991 service level. The number of "continuing student" slots are estimated to increase by 5 in fiscal 1992 over fiscal 1991 service levels and decrease by 8 in fiscal 1993 over fiscal 1991 service levels, reflecting the 8 "new student" slot reduction in fiscal 1992. Table 2 shows the number of new and continuing student slots for fiscal years 1991 appropriated and the 1993 biennium. As table 2 shows, the number of new student slots are reduced by 8 between fiscal year 1991 and 1992 and the number of continuing student slots increase 5 between fiscal 1991 and 1992, for a net service reduction of 3 slots.

Table 2
Student Assistance Program
New and Continuing Student Slots
Actual Fiscal 1990 and Budgeted 1992 and 1993

Program	Appropriated Fiscal 1991		Executive Fiscal 1992		Legislature Fiscal 1992		Difference Fiscal 1992		Executive Fiscal 1993		Legislature Fiscal 1993		Difference Fiscal 1993		Change 1991-92	
	Cont.	New	Cont.	New	Cont.	New	Cont.	New	Cont.	New	Cont.	New	Cont.	New	Cont.	New
WICHE																
Medicine	17	5	20	0	20	3	0	3	14	3	17	5	3	2	3	(2)
Osteopathic Med.	3	2	3	1	3	1	0	0	2	2	2	2	0	0	0	(1)
Dentistry	9	2	9	1	9	1	0	0	8	2	8	2	0	0	0	(1)
Veterinary Med.	31	10	32	9	32	9	0	0	31	9	31	9	0	0	1	(1)
Optometry	13	3	14	2	14	2	0	0	11	2	11	2	0	0	1	(1)
Occup. Therapy*	4	1	4	1	4	1	0	0	2	1	2	1	0	0	0	0
Public Health**	3	1	3	1	3	1	0	0	3	1	3	1	0	0	0	0
Podiatry	3	1	3	0	3	0	0	0	3	1	3	1	0	0	0	(1)
Subtotal	83	25	88	15	88	18	0	3	74	21	77	23	3	2	5	(7)
MN Rural Dentistry	6	2	6	1	6	1	0	0	4	2	4	2	0	0	0	(1)
WAMI Medicine	60	20	60	20	60	20	0	0	60	20	60	20	0	0	0	0
Total	149	47	154	36	154	39	0	3	138	43	141	45	3	2	5	(8)
Student Aid Programs																

The Student Aid program budget increases 30.2 percent between fiscal years 1990 and 1992 due to the approved budget modifications which are discussed in the following section. The state-funded Work Study program assists students at the university units and the vocational-technical centers.

STUDENT ASSISTANCE PROGRAM

Funding

The Student Assistance program is funded from general fund and federal funds. Interest from the education trust formerly allocated to the Board of Regents is no longer available, since the trust principal has been expended. Consistent with the intent of House Bill 100, \$237,705 of general fund was reverted when the education trust fund interest became available in fiscal 1990. The state general fund supports all of the WICHE, WAMI, and Minnesota Rural Dentistry programs, as well as the state work study. General fund contributes the state match for the SSIG, Perkins Loan, and SEOG programs. Federal funds support the SSIG and the Paul Douglas Teacher Scholarship programs.

COMMUNITY COLLEGE ASSISTANCE

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	.00	.00		.00	.00	.00		.00
Local Assistance	3,815,856	3,663,222	0	3,663,222	4,215,246	4,062,612	0	4,062,612
Total Costs	\$3,815,856	\$3,663,222	\$0	\$3,663,222	\$4,215,246	\$4,062,612	\$0	\$4,062,612
Fund Sources								
General Fund	3,815,856	3,663,222	0	3,663,222	4,215,246	4,062,612	0	4,062,612
Total Funds	\$3,815,856	\$3,663,222	\$0	\$3,663,222	\$4,215,246	\$4,062,612	\$0	\$4,062,612

Program Description

The Community College Program distributes funds appropriated by the legislature for the support of Montana's three community colleges: Miles Community College, Flathead Valley Community College, and Dawson Community College. Each community college district has an elected board of trustees accountable to and supervised by the Board of Regents.

Special Session Action

The legislature reduced the general fund appropriation to the community colleges by \$152,634 each year, which is 4 percent of the original fiscal 1992 appropriation. For a further discussion, see the narrative in the "Special Session Action" section of the Montana University System discussion.

Language

"The appropriation in item 4 provides 51 percent and 55 percent of the total unrestricted budgets for the community colleges in fiscal years 1992 and 1993, respectively. The total unrestricted budgets for the community colleges must be approved by the board of regents."

"The general fund appropriation for each community college includes 49 percent of the total audit cost. The remaining 51 percent of these costs are to be paid from funds other than those appropriated in items 4 and 4a. Audit costs may not exceed \$18,000 each for Dawson and Miles Community Colleges and \$25,000 for Flathead Valley Community College for the biennium."

COMMUNITY COLLEGE ASSISTANCE

Community College Funding Formula

Since 1981, the legislature has developed budgets for the community colleges using an enrollment-based formula. The total unrestricted budget of the community colleges is determined by multiplying the number of FTE students by a cost factor per student. The cost factor covers all educational costs, such as instruction, academic support, student services, institutional support, and operation and maintenance of the physical plant. Legislative audit costs are then added to the formula-generated budgets. The state general fund appropriation is calculated by multiplying the total unrestricted budget by a fixed percentage of state support for the unrestricted budget. The remainder of the unrestricted budget is financed from a combination of local revenues including a mandatory levy, student tuition and fees, and other unrestricted revenues.

Three variables impact the state general fund cost of the community college funding formula: 1) budgeted student FTE; 2) the cost factor; and 3) the percentage of state support for the unrestricted budget.

Budget as Approved by the Regular 1991 Legislative Session

The state portion of the community college budget as approved by the 1991 legislature increased 19.1 percent from fiscal 1990 to 1992 because the legislature adjusted all three factors of the funding formula. The student FTE enrollment represents the average of the last two years' actual data with an adjustment allowed at Dawson to mitigate the effect of lower enrollment in fiscal 1989. The average student FTE enrollment for the 1993 biennium is 1,841 or 108 higher than the student FTE budgeted for the 1991 biennium. Table 3 shows how the 1993 biennium average enrollment was derived and provides a comparison with the 1991 biennium budgeted enrollment.

Table 3
1991 & 1993 Biennium Enrollment
Montana Community Colleges

Campus	Fiscal 1989	Fiscal 1990	Two-Year Average	Legislative Adjustment	1993 Biennium Enrollment	1991 Biennium Enrollment	Increase (Decrease) From 1991 Biennium	% Inc. (Dec.) From 1991 Biennium
Dawson	363	400	382	7	389	389	0	0.0%
Flathead	973	1,001	987	0	987	931	56	6.0%
Miles City	470	459	465	0	465	413	52	12.6%
Total	1,806	1,860	1,834	7	1,841	1,733	108	6.2%

COMMUNITY COLLEGE ASSISTANCE

The cost factor and percent state support were also increased in fiscal years 1992 and 1993 from the 1991 biennium level. Table 4 shows the increases in the cost factor and percent state support from the fiscal 1990 appropriation to each year of the 1993 biennium and the cumulative fiscal impact of the formula factor changes approved by the 1991 legislature. The table also shows the reduction made to the total appropriation in the January, 1992 special session. The reduction totals 4% of the fiscal 1992 appropriation each year.

Table 4
Community College Formula Factors
Fiscal Years 1990, 1992 and 1993

<u>Formula Item</u>	<u>Appropriated Fiscal 1990</u>	<u>Legislature Fiscal 1992</u>	<u>Legislature Fiscal 1993</u>	<u>Change 1990-92</u>	<u>Change 1990-93</u>
Student FTE Enrollment	1,733	1,841	1,841	108	108
Cost Factor per Student FTE	\$3,907	\$4,031	\$4,163	3.17%	6.55%
Total Unrestricted Budget	\$6,770,831	\$7,421,071	\$7,664,083	9.60%	13.19%
Audit Cost	\$54,000	\$61,000	\$0	12.96%	—
Percent State Support	47%	51%	55%	+4 % Points	+8 % Points
Total General Fund Cost	\$3,207,671	\$3,815,856	\$4,215,246	18.96%	31.41%
Special Session Reduction	—	(152,634)	(152,634)	—	—
Adjusted General Fund Cost	3,207,671	3,663,222	4,062,612	14.20%	26.65%

Funding

The community colleges are funded from state general fund, local millage revenue, student tuition and fees, and other miscellaneous revenues. The funding formula calculates the total current unrestricted budget to be authorized by the Board of Regents and the state share which is contained in the general appropriations act. Only the state general fund is included in the general appropriations act.

MUS GROUP INSURANCE PROGRAM

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	3.50	3.50		3.50	3.50	3.50		3.50
Personal Services	98,083	98,083	6,362	104,445	97,800	97,800	10,053	107,853
Operating Expenses	1,106,914	1,106,914	0	1,106,914	1,117,434	1,117,434	0	1,117,434
Equipment	5,000	5,000	0	5,000	5,000	5,000	0	5,000
Benefits and Claims	12,689,935	12,689,935	0	12,689,935	14,964,223	14,964,223	0	14,964,223
Total Costs	\$13,899,932	\$13,899,932	\$6,362	\$13,906,294	\$16,184,457	\$16,184,457	\$10,053	\$16,194,510
Fund Sources								
Proprietary Fund	13,899,932	13,899,932	6,362	13,906,294	16,184,457	16,184,457	10,053	16,194,510
Total Funds	\$13,899,932	\$13,899,932	\$6,362	\$13,906,294	\$16,184,457	\$16,184,457	\$10,053	\$16,194,510

Program Description

The Board of Regents provides faculty and staff with group benefits through the Montana University System Group Insurance Program within the Office of the Commissioner of Higher Education. The commissioner is authorized by Board of Regents policy 804.1 to administer the program as a self-insured, group insurance plan. The Montana University System Group Insurance Program covers faculty and staff employed by the six units of the university system, the five vocational-technical centers, and the commissioner's office. The program offers medical, dental, vision, group life insurance, and long-term disability benefits to employees, retirees, and eligible dependents.

MUS GROUP INSURANCE PROGRAM

Budget as Approved by the Regular 1991 Legislative Session

Total costs increase from fiscal 1990 to 1992 because of anticipated increases in claims and the budget modification for additional administrative expenses. Personal services increase due to vacancy savings experienced in fiscal 1990, the fiscal 1991 pay plan increase continued into the 1993 biennium, the 1.0 FTE included in the budget modification, and four percent personal services reduction applied to this program.

The increase in operating expenses of 135.1 percent from fiscal 1990 to fiscal 1992 is primarily due to a reclassification of claims administration expense as an operating cost rather than benefits and claims. Prior to fiscal 1991, the agency paid a premium to United of Omaha for minimum premium group insurance coverage for medical, dental, vision, life insurance, supplemental life insurance, dependent life insurance, accidental death and dismemberment, supplemental death and dismemberment, and long-term disability. This arrangement provided insurance coverage to the group insurance program beyond a specified benefit level. Beginning in fiscal 1991, the group insurance program entered an "administrative services only" contract with United of Omaha for its medical, dental, and vision benefits, with the program assuming the full risk of these health insurance claims. All other coverages are continued as before. The budget modification adds approximately \$113,000 annually to operating expenses.

The budget includes 19.0 percent annual growth in benefits and claims from the fiscal 1990 actual level.

Funding

The group insurance program is funded from employer health insurance premiums (state contributions), additional premiums borne by the employee, and interest earnings on the self-insurance fund. Approximately 73.0 percent of total premium revenue is from the employer and 27.0 percent is from the employee.

TALENT SEARCH

<u>Budget Item</u>	<u>HB 2 Regular Fiscal 1992</u>	<u>HB 2 Special Fiscal 1992</u>	<u>Pay Plan Fiscal 1992</u>	<u>Revised Total Fiscal 1992</u>	<u>HB 2 Regular Fiscal 1993</u>	<u>HB 2 Special Fiscal 1993</u>	<u>Pay Plan Fiscal 1993</u>	<u>Revised Total Fiscal 1993</u>
FTE	7.45	7.45		7.45	7.45	7.45		7.45
Personal Services	175,988	175,988	12,918	188,906	175,561	175,561	20,378	195,939
Operating Expenses	<u>61,634</u>	<u>61,634</u>	<u>0</u>	<u>61,634</u>	<u>61,546</u>	<u>61,546</u>	<u>0</u>	<u>61,546</u>
Total Costs	\$237,622	\$237,622	\$12,918	\$250,540	\$237,107	\$237,107	\$20,378	\$257,485
<u>Fund Sources</u>								
Federal Revenue Fund	<u>237,622</u>	<u>237,622</u>	<u>12,918</u>	<u>250,540</u>	<u>237,107</u>	<u>237,107</u>	<u>20,378</u>	<u>257,485</u>
Total Funds	\$237,622	\$237,622	\$12,918	\$250,540	\$237,107	\$237,107	\$20,378	\$257,485

Program Description

Talent Search is a federally funded program to provide career and financial aid counseling to students who are either low-income, physically handicapped, or culturally deprived. The program's objectives are to decrease the high school dropout rate in targeted high schools and to increase enrollment of disadvantaged students in Montana's post-secondary institutions.

Budget as Approved by the Regular 1991 Legislative Session

Total expenditures increase from fiscal year 1990 to 1992 due to the budget modification approved for the 1993 biennium. Personal services increase because of vacancy savings experienced in fiscal 1990, the continuation of the fiscal 1991 pay plan increase in the 1993 biennium, and the additional 1.3 FTE included in the budget modification. These personal services increases were offset by a four percent reduction in the legislature applied to personal services budget in this agency. Operating expenses decrease 7.8 percent because one-time costs are removed from the base and travel costs are reduced to historic levels. No equipment was requested in the 1993 biennium.

Funding

The Talent Search program is funded from the federal Higher Education Act of 1965, as amended.

C.D. PERKINS ADMINISTRATION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	3.20	3.20		3.20	3.20	3.20		3.20
Personal Services	106,639	106,639	5,223	111,862	106,303	106,303	8,238	114,541
Operating Expenses	79,288	79,288	0	79,288	47,634	47,634	0	47,634
Grants	1,893,923	1,893,923	0	1,893,923	1,893,923	1,893,923	0	1,893,923
Transfers	3,128,447	3,128,447	0	3,128,447	3,127,953	3,127,953	0	3,127,953
Total Costs	\$5,208,297	\$5,208,297	\$5,223	\$5,213,520	\$5,175,813	\$5,175,813	\$8,238	\$5,184,051
Fund Sources								
General Fund	92,966	92,966	2,511	95,477	76,970	76,970	3,975	80,945
Federal Revenue Fund	5,115,331	5,115,331	2,712	5,118,043	5,098,843	5,098,843	4,263	5,103,106
Total Funds	\$5,208,297	\$5,208,297	\$5,223	\$5,213,520	\$5,175,813	\$5,175,813	\$8,238	\$5,184,051

Program Description

The Board of Regents is designated as the sole state agency for Carl D. Perkins Vocational Education Act funds, which support vocational education at the secondary and post-secondary level. Administration of these funds include provision of technical assistance to the field, grants management, performance reviews, filing of an annual performance report, and the development and submission of a state plan for the use of the funds. The Board of Regents is required by state statute to contract with the Office of Public Instruction for provision of technical assistance and grants management for secondary level grant subrecipients.

Effective fiscal 1992, this program contains expenditures relating to the federal fund administration function only. Prior to fiscal 1992, this program also contained the expenditures relating to vo-tech center administration. The legislature approved the agency's request to separate the federal fund administration function from the vo-tech center administration function. The vo-tech center administration function is contained in the Vo-Tech Center Administration Program.

C.D. PERKINS ADMINISTRATION

Budget as Approved by the Regular 1991 Legislative Session

The budget provides an increase in the 1993 biennium due to a new requirement for a state match on Carl Perkins gender equity funds and more funds available for grants to postsecondary and secondary education agencies. The reauthorization of the federal Carl D. Perkins Vocational Education Act decreases the amount of federal funds available for state administration from approximately \$310,000 to \$250,000 annually. State statute requires CDE to contract with the Office of Public Instruction (OPI) to serve secondary schools. During the 1991 biennium, approximately \$180,000 was transferred to OPI each year for administration costs. The legislature has appropriated approximately \$189,000 annually to OPI in the 1993 biennium, reducing the funds available for this program to \$60,000 annually from the gender equity portion of the federal grant, \$1,000 annually from the basic grant, and approximately \$53,000 for the 1993 biennium from available carryover funds.

In response to the declining federal funds and a related agency request, beginning in fiscal 1992 the legislature funds vocational-technical center administration functions with 100 percent general fund in a separate program (Vocational-Technical Center Administration) and the federal fund administration function with 50/50 state/federal funds in this program. Prior to fiscal 1992, both functions were funded with state and federal funds in this program. This action, coupled with the new federal requirement to match the \$60,000 gender portion of the grant dollar for dollar with state funds, increases general fund approximately \$115,000 from fiscal 1990 to 1992 and \$99,000 from fiscal 1990 to 1993.

The main table does not show this general fund impact because only the Carl D. Perkins program is included in the "Legislature" columns for fiscal 1992 and 1993. Table 5 below shows the actual fiscal 1990 expenditures and funding for the former program (called the Vocational-Technical Administration program), the fiscal 1992 expenditures and funding for both the Carl D. Perkins Administration program and the Vocational-Technical Center Administration program, and the percentage change between fiscal 1990 actual and the fiscal 1992 total of the new programs. The table does not include pay plan added in House Bill 509.

C.D. PERKINS ADMINISTRATION

Table 5
Carl D. Perkins and Vo-Tech Center Administration Programs - Legislative Action

ITEM	Actual FY 1990 Vo-Tech Admin. Program	Legislative Action Fiscal Year 1992			Change 1990 - 92
		Carl D. Perkins Administration	Vo-Tech Center Administration	Total Both Programs	
FTE	5.00	3.20	1.80	5.00	0.00
Personal Services					
Operating Expenses	\$179,273	\$106,639	\$76,338	\$182,977	2.07%
Equipment	37,404	79,288	20,000	99,288	165.45%
Subtotal Operations	445	0	0	0	-100.00%
Grants	\$217,122	\$185,927	\$96,338	\$282,265	30.00%
Transfers	\$955,139	\$1,893,923	\$0	\$1,893,923	98.29%
Total Program Costs	2,597,502	3,128,447	0	3,128,447	20.44%
	\$3,769,763	\$5,208,297	\$96,338	\$5,304,635	40.72%
Funding					
General Fund	\$79,858	\$92,966	\$96,338	\$189,304	137.05%
Federal Funds					
Administration	137,264	92,961	0	92,961	-32.28%
Grants/Transfers	3,552,641	5,022,370	0	5,022,370	41.37%
Total Funds	\$3,769,763	\$5,208,297	\$96,338	\$5,304,635	40.72%

Personal services increase slightly because of vacancy savings in fiscal 1990 and the continuation of the fiscal 1991 pay plan increase in the 1993 biennium. Operating expense adjustments result in an overall increase because the gender equity funds must now be evenly matched with state funds. This added \$60,000 per year of general fund to the operating expense budget. Federal authority totaling \$7,157 was also added each year for gender equity to increase authorized federal expenditures to the \$60,000 provided. In addition, the legislature allocated \$20,000 per year for vocational-technical center administration operating costs. Finally, operating expenses are reduced approximately \$25,300 in fiscal 1992 (and \$57,300 in fiscal 1993) in the Carl D. Perkins Administration program due to reduced federal administration funds.

Grants and transfers increases reflect higher federal revenue available for this purpose in the next biennium.

C.D. PERKINS ADMINISTRATION

Funding

The Carl D. Perkins Administration program is funded from the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990. All administration expenditures from this federal source must be equally matched with state funds.

GUARANTEED STUDENT LOAN PROGRAM

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	36.45	36.45		36.45	36.45	36.45		36.45
Personal Services	861,198	861,198	68,048	929,246	859,560	859,560	107,592	967,152
Operating Expenses	695,982	695,982	0	695,982	690,113	690,113	0	690,113
Equipment	135,000	135,000	0	135,000	135,000	135,000	0	135,000
Total Costs	\$1,692,180	\$1,692,180	\$68,048	\$1,760,228	\$1,684,673	\$1,684,673	\$107,592	\$1,792,265
Fund Sources								
Federal Revenue Fund	1,692,180	1,692,180	68,048	1,760,228	1,684,673	1,684,673	107,592	1,792,265
Total Funds	\$1,692,180	\$1,692,180	\$68,048	\$1,760,228	\$1,684,673	\$1,684,673	\$107,592	\$1,792,265

Program Description

The 1979 legislature authorized the Guaranteed Student Loan Program (GSLP), placing it under the direction and supervision of the Board of Regents. The program is funded by federal government payments for an administrative cost allowance, the guarantee fee charged to borrowers, and interest earned on investments. GSLP initially contracted with United Student Aid Funds in Indianapolis to process loan applications, maintain records on student borrowers, warehouse records, and perform all other necessary functions. In the fall of 1987, the Board of Regents approved a plan to have GSLP perform these duties in Montana. The first phase of this plan began in April 1988 when the Montana guarantee agency began processing the students' applications and promissory notes in Helena. The second phase began in April 1989 when the agency began processing status changes and lender fee billings. All functions have been performed in Helena since March 1990.

Budget as Approved by the Regular 1991 Legislative Session

Total expenditures increase from fiscal 1990 to 1992 due to increased personal services and equipment relating to base changes and two budget modifications. One and one-half FTE current level positions that were vacant a major portion of fiscal years 1990 and 1991 were eliminated. Despite the current level FTE reduction, personal services increase because the program experienced significant vacancy savings in fiscal 1990, 5.0 additional FTE were authorized in the 1993 biennium at an annual cost of approximately \$114,000, and several current level positions received classification upgrades adding approximately \$49,000 annually to the personal services current level base. The legislature imposed a four percent reduction to the personal services budget, decreasing costs approximately \$33,500 annually during the 1993 biennium.

GUARANTEED STUDENT LOAN PROGRAM

Operating expenses decrease 5.3 percent as the agency assumes loan servicing responsibility in Helena rather than contracting with United Student Aid Funds (USA Funds) in Indianapolis for this service. The Guaranteed Student Loan program will continue to contract with USA Funds for the use of its software and reporting capabilities. The budget includes \$195,000 annually for this purpose, which is approximately \$219,000 less than expended in fiscal 1990. The operating expense base was increased \$127,669 annually for contingency reinsurance costs. The budget modifications add approximately \$56,000 annually to operating expenses.

Equipment is included at \$135,000 annually. Twenty-five thousand annually reflects the recent historical expenditure level and \$110,000 annually is included in the budget modification.

Funding

This program is funded with program fees and federal administrative allowance payments from the U.S. Department of Education under the Higher Education Act of 1965 as amended.

BOARD OF REGENTS-ADMINISTRATION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	.00	.00		.00	.00			.00
Personal Services	11,712	11,712	0	11,712	11,712	11,712	0	11,712
Operating Expenses	21,142	21,142	0	21,142	21,151	21,151	0	21,151
Total Costs	\$32,854	\$32,854	\$0	\$32,854	\$32,863	\$32,863	\$0	\$32,863
<u>Fund Sources</u>								
General Fund	32,854	32,854	0	32,854	32,863	32,863	0	32,863
Total Funds	\$32,854	\$32,854	\$0	\$32,854	\$32,863	\$32,863	\$0	\$32,863

Program Description

Article X, Section 9 of the Montana Constitution places the government and control of the Montana University System in the Board of Regents of higher education which have full power, responsibility, and authority to supervise, coordinate, manage, and control that system. In addition, the board supervises and coordinates other public educational institutions assigned by law.

The board consists of seven members appointed by the Governor and confirmed by the Senate. One of the members of the board is a student. The board meets not less than quarterly and has three permanent standing committees: the administrative committee, the budget committee, and the academic affairs committee. The Commissioner of Higher Education is an ex-officio, non-voting member of all committees.

Budget as Approved by the Regular 1991 Legislative Session

The budget decreases slightly from fiscal 1990 to 1992 because the legislature applied a four percent reduction to all personal services expenditures. Personal services costs include per diem reimbursement to the board members. Operating costs consist primarily of travel expense reimbursement to board members to attend board meetings.

BOARD OF REGENTS BOND PAYMENTS

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	.00	.00		.00	.00	.00		.00
Debt Service	<u>706,255</u>	<u>706,255</u>	<u>0</u>	<u>706,255</u>	<u>698,153</u>	<u>698,153</u>	<u>0</u>	<u>698,153</u>
Total Costs	\$706,255	\$706,255	\$0	\$706,255	\$698,153	\$698,153	\$0	\$698,153
Fund Sources								
General Fund	<u>706,255</u>	<u>706,255</u>	<u>0</u>	<u>706,255</u>	<u>698,153</u>	<u>698,153</u>	<u>0</u>	<u>698,153</u>
Total Funds	\$706,255	\$706,255	\$0	\$706,255	\$698,153	\$698,153	\$0	\$698,153

Program Description

The Board of Regents is authorized in Section 20-16-108, MCA, to lease or purchase any building, land, and/or property at a vocational-technical center from the respective school districts. The board has acquired the facilities in Helena and Missoula and entered into contracts with the school districts in Billings, Butte, and Great Falls to retire the districts' bonded indebtedness. This program contains the bond payments to those school districts for the next biennium.

Budget as Approved by the Regular 1991 Legislative Session

Total bond payments are scheduled to decrease 3.4 percent from fiscal 1990 to 1992 and an additional 1.2 percent from fiscal 1992 to 1993. Vocational-technical building bond payments are funded by the state general fund. Table 6 details the bond payments by year for each center and the remaining indebtedness on the outstanding bonds as of July 1, 1991.

BOARD OF REGENTS BOND PAYMENTS

Table 6
Estimated Bond Payments in the 1993 Biennium and Remaining Indebtedness as of July 1, 1991
Vocational-Technical Centers

Center	FY 1992	FY 1993	1993 Biennium Total	---REMAINING INDEBTEDNESS AS OF 7/1/91---		
				Principal	Interest	Total
Billings	\$127,870	\$122,408	\$ 250,278	\$ 760,000	\$ 115,520	\$ 875,520
Butte	468,035	470,495	938,530	2,285,000	986,345	3,271,345
Gt. Falls	110,350	105,250	215,600	300,000	16,650	316,650
Total	\$706,255	\$698,153	\$1,404,408	\$3,345,000	\$1,118,515	\$4,463,515

No. of Years Remaining

8
7
3

VO-TECH CENTER ADMINISTRATION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	1.80	1.80		1.80	1.80	1.80		1.80
Personal Services	76,575	76,575	2,837	79,412	76,338	76,338	4,537	80,875
Operating Expenses	20,000	20,000	0	20,000	20,000	20,000	0	20,000
Transfers	150,000	150,000	0	150,000	0	0	0	0
Total Costs	\$246,575	\$246,575	\$2,837	\$249,412	\$96,338	\$96,338	\$4,537	\$100,875
<u>Fund Sources</u>								
General Fund	246,575	246,575	2,837	249,412	96,338	96,338	4,537	100,875
Total Funds	\$246,575	\$246,575	\$2,837	\$249,412	\$96,338	\$96,338	\$4,537	\$100,875

Program Description

The Fiftieth Legislature transferred governance of the vocational-technical centers to the Board of Regents from the Superintendent of Public Instruction. Effective fiscal 1992, this program contains the staff and operating costs to provide administrative service to the board to carry out vocational-technical center governance activities only. Administrative services relating to federal vocational education funds are now contained in a separate program.

Budget as Approved by the Regular 1991 Legislative Session

As noted in the Carl D. Perkins Administration program, the legislature approved the agency's request to form two programs: 1) the Carl D. Perkins Administration Program; and 2) the Vo-Tech Center Administration program from the former Vo-Tech Administration program. This program contains costs relating only to vocational-technical center administration functions. A portion of the FTE from the former Vo-Tech Administration program (1.8 FTE) are transferred to this program. The 1.8 FTE includes 0.80 FTE for the Deputy Commissioner for Vocational-Technical Education, 0.50 FTE for a financial assistant, and 0.50 FTE for a secretary. The remaining portions of these FTE are included in the Carl D. Perkins Administration program.

Operating expenses include \$20,000 annually for on-going center administration costs. The transfer expense includes the budget modification for the vo-tech center contingency.

BUDGET REDUCTIONS

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	.00	.00		.00	.00	.00		.00
Personal Services	0	362,913-	0	362,913-	0	153,920-	0	153,920-
Total Costs	\$0	\$362,913-	\$0	\$362,913-	\$0	\$153,920-	\$0	\$153,920-
<u>Fund Sources</u>								
General Fund	0	362,913-	0	362,913-	0	153,920-	0	153,920-
Total Funds	\$0	\$362,913-	\$0	\$362,913-	\$0	\$153,920-	\$0	\$153,920-

During the 1992 special session, the legislature imposed the reduction in the agency's general fund budget shown in the table above. Language in House Bill 2 allows the agency, with the approval of the Board of Regents, to determine the proportional share of the amount to be applied to each program. For a further discussion, see the "Special Session Action" narrative included within the Montana University System.

VOCATIONAL-TECHNICAL CENTERS

Center	HB 2 REGULAR FISCAL 1992	HB2 SPECIAL FISCAL 1992	PAY PLAN FISCAL 1992	REVISED TOTAL FISCAL 1992	HB 2 REGULAR FISCAL 1993	HB2 SPECIAL FISCAL 1993	PAY PLAN FISCAL 1993*	REVISED TOTAL FISCAL 1993
Billings	\$1,921,946	\$1,912,173	\$ 68,704	\$1,980,877	\$1,887,781	\$1,806,236	\$108,301	\$ 1,914,537
Butte	1,811,590	1,800,247	61,754	1,862,001	1,816,933	1,729,455	96,936	1,826,391
Great Falls	2,209,899	2,197,379	91,362	2,288,741	2,220,035	2,109,459	143,733	2,253,192
Helena	2,574,433	2,558,645	90,924	2,649,569	2,499,978	2,384,144	143,065	2,527,209
Missoula	2,720,523	2,704,422	111,878	2,816,300	2,623,289	2,508,879	176,491	2,685,370
Campus Totals	\$11,238,391	\$11,172,866	\$424,622	\$11,597,488	\$11,048,016	\$10,538,173	\$668,526	\$11,206,699
Program								
Instruction	\$ 6,764,079	\$ 6,764,079	\$145,449	\$ 7,019,647	\$ 6,540,556	\$ 6,540,556	\$229,210	\$ 6,936,331
Support	3,113,469	3,113,469	159,920	3,231,106	3,138,430	3,138,430	251,818	3,328,339
Physical Plant	1,360,843	1,360,843	119,253	1,412,260	1,369,030	1,369,030	187,498	1,451,871
Budget Reduction**	0	(65,525)	0	(65,525)	0	(509,843)	0	(509,843)
Total Costs	\$11,238,391	\$11,172,866	\$424,622	\$11,597,488	\$11,048,016	\$10,538,173	\$668,526	\$11,206,699
Funding								
General Fund	\$ 8,356,936	\$ 8,291,411	\$424,622	\$ 8,716,033	\$ 8,150,086	\$ 7,640,243	\$668,526	\$ 8,308,769
Tuition	1,914,450	1,914,450	0	1,914,450	1,914,450	1,914,450	0	1,914,450
County Millage	965,005	965,005	0	965,005	981,480	981,480	0	981,480
Other	2,000	2,000	0	2,000	2,000	2,000	0	2,000
Total Funds	\$11,238,391	\$11,172,866	\$424,622	\$11,597,488	\$11,048,016	\$10,538,173	\$668,526	\$11,206,699

*Preliminary allocation per the Office of Budget and Program Planning.

**The legislature specified that the Board of Regents shall allocate the budget reduction among programs.

VOCATIONAL-TECHNICAL CENTERS

System Description

Montana's five postsecondary vocational-technical centers in Billings, Butte, Great Falls, Helena, and Missoula collectively serve approximately 2,500 FTE students. In July 1988, the Board of Regents assumed general administrative and supervisory control over vocational-technical center education. In fiscal year 1990, total costs of operating the centers were assumed by the state and all staff of the five centers became employees of the State of Montana. Prior to this time, staff members were employees of the local school districts.

The primary role of vocational-technical education is to provide individuals preparing to enter, advance, or change their careers with vocational and technical competencies and life skills. Training is offered in a variety of disciplines in the major areas of agriculture, health, office, marketing, home economics, and trade and technical. The centers award certificates of completion and, with the approval of the Board of Regents, award the Associate of Applied Science degree for appropriate programs.

Special Session Action

The legislature reduced general fund support for the five vocational-technical centers by a total of \$65,525 in fiscal 1992 and \$509,843 in fiscal 1993. Language in House Bill 2 authorizes the Board of Regents to allocate the reduction to each center among programs and to allocate any tuition revenue increase approved to offset a portion of this reduction amongst all components of the Montana University System (with the exception of the Office of the Commissioner of Higher Education). For a further discussion, see the narrative accompanying the "Special Session Action" table in the Montana University System.

Language

Following Billings Vocational Technical Center:

"Total audit costs are estimated to be \$28,412 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a."

The following language was added in the January 1992 special session: "Item 2 reduces the Billings vocational-technical center's total general fund appropriation. The Billings vocational-technical center, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly".

Following Butte Vocational Technical Center:

"Total audit costs are estimated to be \$29,990 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a."

The following language was added in the January 1992 special session: "Item 2 reduces the Butte vocational-technical center's total general fund appropriation. The Butte vocational-technical center, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly".

VOCATIONAL-TECHNICAL CENTERS

Following Great Falls Vocational Technical Center:

"Total audit costs are estimated to be \$28,412 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a."

The following language was added in the January 1992 special session: "Item 2 reduces the Great Falls vocational-technical center's total general fund appropriation. The Great Falls vocational-technical center, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly".

Following Helena Vocational Technical Center:

"Total audit costs are estimated to be \$29,990 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a."

The following language was added in the January 1992 special session: "Item 2 reduces the Helena vocational-technical center's total general fund appropriation. The Helena vocational-technical center, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly".

Following Missoula Vocational Technical Center:

"Total audit costs are estimated to be \$25,254 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a."

The following language was added in the January 1992 special session: "Item 2 reduces the Missoula vocational-technical center's total general fund appropriation. The Missoula vocational-technical center, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly".

Insert following the vocational technical centers (the underlined portion of this language was added in the January 1992 special session):

"The commissioner of higher education may transfer county millage collections among the centers. Total revenue received from the 1.5-mill levy that exceeds \$965,005 in fiscal 1992 and \$981,480 in fiscal 1993 is appropriated to the office of the commissioner of higher education for distribution to the vocational technical centers and must be added by budget amendment by the Board of Regents in a manner so as to offset reductions in vocational-technical center appropriations in [this act] from the levels contained in the general appropriations act of 1991 and acts supplementary thereto."

"It is the intent of the legislature that the board of regents have additional appropriation flexibility to operate the vocational technical centers during the 1993 biennium. Therefore, the legislature has approved for each vocational technical center a single appropriation for its general operations. The appropriation for each postsecondary vocational technical center listed above is for the following programs: instruction, academic support, student services, institutional support, and operation and maintenance of plant. The vocational technical centers are exempt from section 2 of this bill [HB 2] which requires personal services line items.

VOCATIONAL-TECHNICAL CENTERS

It is further the intent of the legislature that all fiscal matters pertaining to the postsecondary vocational technical centers during the 1993 biennium and the 1995 biennium budget request be recorded, maintained, and submitted using the college and university business administration (CUBA) fund structure and functional expenditure classifications."

Legislative Intent

It is the intent of the legislature that the Board of Regents study and evaluate appropriate student faculty ratios for the vocational-technical system during the 1993 biennium interim and make a recommendation to the Fifty-third Legislature.

Budget as Approved by the Regular 1991 Legislative Session

Vocational-technical center budgeted expenditures are grouped into functional categories, including Instruction, Support (academic, student services, and institutional), and Operation and Maintenance of Plant.

The Instruction category accounts for all activities that are part of an institution's instruction program, including faculty, department operating costs, and equipment.

The Support program includes funds expended to provide administrative and management support to the academic programs, to provide services that enhance the students' emotional and physical well-being, and to support executive level management activities. Examples of support expenditures include libraries, financial aid, counseling and career guidance, fiscal management, and data processing.

The Plant program includes all expenditures necessary to operate and maintain the physical plant, such as building maintenance, custodial services, and utilities.

The vocational-technical system budget increases 5.6 percent from fiscal 1990 to 1992 primarily because fiscal 1991 pay plan increases are continued into the 1993 biennium and the legislature added approximately \$397,300 annually to the personal services base in the 1993 biennium to implement a statewide salary matrix. The Instruction program increases 8.9 percent from fiscal 1990 to 1992 due to these same reasons. The budgets for Support and Plant Operation and Maintenance programs increase only slightly because of adjustments made to these programs when the budget was developed and the formula was implemented.

Funding Formula

The legislature implemented a new funding formula for the vocational-technical system in the 1993 biennium following two years' use of incremental budgeting. While formula funding had been used for the vocational-technical centers since 1981, the 1989 legislature discontinued this practice. When the vocational-technical centers became state agencies in 1988, the state assumed the funding responsibility for the centers' general operations. Prior to state assumption, the formula did not include expenditures funded by the local voted mill levy or services provided to the vocational-technical centers by the local high school district. Therefore, the formula's component values did not reflect the total cost of center operations. The 1989 legislature adopted the budget for the 1991 biennium using an incremental approach.

VOCATIONAL-TECHNICAL CENTERS

The funding formula implemented by the 1991 legislature for the 1993 biennium includes all costs in the centers' general operating budget funded by the current unrestricted fund. The Instruction and Support program budgets are derived using a workload-related formula and the Plant Operation and Maintenance program is calculated using a "base-plus-inflation" (or incremental) approach.

The funding formula uses the following factors to estimate the current unrestricted Instruction and Support budget for the five vocational-technical centers: 1) the average of actual enrollment for the two most recent fiscal years (in this case, fiscal years 1989 and 1990); 2) student/faculty ratios; 3) average faculty salaries; 4) faculty benefit rates; 5) instructional support cost per student; 6) minor equipment cost per student; 7) an equalized capital equipment allocation by center; and 8) support program cost per student. The Instruction and Support programs total 88.0 percent of the current unrestricted budget as appropriated by the 1991 legislature.

Expenditure Summary

Table 1 which follows shows the budgeted expenditures by budget program for each campus both years of the 1993 biennium.

Funding

The legislature appropriated funds to each vocational-technical center in a "lump sum" amount, rather than by program (which was the practice in the past). In addition, the vocational-technical centers are exempt from the personal services line item requirement in the 1993 biennium. These actions were taken by the legislature to provide the Board of Regents additional management flexibility. The legislature expects the Board of Regents to continue using the CUBA fund structure and functional expenditure classifications in all fiscal matters pertaining to the postsecondary vocational-technical centers in the 1993 biennium.

The vocational-technical centers are funded from the state general fund, a mandatory 1.5 mill county levy, tuition and fees, and other revenue. In fiscal 1990, the vocational-technical centers received \$604,872 of education trust interest, which resulted in a general fund reversion. In addition, the vocational-technical centers received \$76,590 more county mill levy collections than appropriated, which also caused a general fund reversion. These reversions were consistent with the requirements of the general appropriations act (House Bill 100).

Federal Carl Perkins vocational education funds were included in the 1991 biennium budget at \$807,474 annually. The Legislative Auditor recommended in a 1990 audit report that due to restrictions placed on the expenditure of these funds by the federal law, the funds, with the exception of indirect costs, should be deposited to the current restricted fund, rather than the current unrestricted fund (which was the current practice in the 1991 biennium). The legislature removed the Carl D. Perkins funds from the current unrestricted operating budget and replaced \$570,000 annually with general fund during the 1993 biennium. The new federal act expressly states that the state cannot consider any federal Perkins allocation when determining state support of public educational institutions. The Carl Perkins vocational education funds will be available to secondary and postsecondary education agencies under the reauthorized federal act partly on a formula allocation basis and partly on a competitive grant basis.

Tuition and fees are included in the 1993 biennium budget at \$1,914,450 annually. No tuition rate increase is included in the budget. The Board of Regents, which establishes tuition and fee rates for the university system, increased rates in June, 1991. This additional revenue, which totals \$122,336, was added via budget amendment in fiscal 1992 and will be added via the same mechanism in fiscal 1993. The legislature during the January 1992 special session added tuition revenue authority of \$5.2 million to the Montana University System in fiscal 1993 for any additional tuition increase in that year that may be enacted to offset a portion of the budget reduction imposed. For a further discussion, see the narrative accompanying the table in the Montana University System section.

A mandatory 1.5 mill county levy also funds general operations at the vocational-technical centers. The 1993 biennium budget includes \$1,946,485 from this revenue source.

VOCATIONAL-TECHNICAL CENTERS

General fund provides the remainder of funding for vocational-technical center general operations. General fund increases from fiscal 1990 to 1992 due to: 1) removing Carl Perkins funds from the current unrestricted budget; 2) education trust interest no longer being available as the trust corpus has been spent; 3) the overall expenditure increase from fiscal 1990 to 1992; and 4) offsetting increases in tuition and county millage. Table 1 summarizes the revenue sources by campus included in the 1993 biennium budget. This table includes pay plan appropriated in House Bill 509 and all adjustments made in the January 1992 special session.

VOCATIONAL-TECHNICAL CENTERS

Table 1
Summary of Budgeted Expenditures and Funding Sources
1993 Biennium

Fiscal Year 1992	Billings	Butte	Gt. Falls	Helena	Missoula	System
Instruction	\$1,159,611	\$1,108,944	\$1,421,549	\$1,624,507	\$1,594,917	\$6,909,528
Support	599,018	529,226	596,521	679,405	869,219	3,273,389
Physical Plant	232,021	235,174	283,191	361,445	368,265	1,480,096
Budget Reduction	(9,773)	(11,343)	(12,520)	(15,788)	(16,101)	(65,525)
Total Costs	\$1,980,877	\$1,862,001	\$2,288,741	\$2,649,569	\$2,816,300	\$11,597,488
Funding						
General Fund	\$1,298,491	\$1,510,023	\$1,657,356	\$2,100,480	\$2,149,683	\$8,716,033
Tuition	301,623	264,433	476,609	425,034	446,751	1,914,450
County Millage	379,263	87,545	154,576	124,055	219,566	965,005
Federal Funds	0	0	0	0	0	0
Other Funds	1,500	0	200	0	300	2,000
Total Funds	\$1,980,877	\$1,862,001	\$2,288,741	\$2,649,569	\$2,816,300	\$11,597,488
Fiscal Year 1993						
Instruction	\$1,173,631	\$1,110,943	\$1,400,396	\$1,551,255	\$1,533,541	\$6,769,766
Support	588,571	559,288	673,458	685,237	883,694	3,390,248
Physical Plant	233,880	243,638	289,914	406,551	382,545	1,556,528
Budget Reduction	(81,545)	(87,478)	(110,576)	(115,834)	(114,410)	(509,843)
Total Costs	\$1,914,537	\$1,826,391	\$2,253,192	\$2,527,209	\$2,685,370	\$11,206,699
Funding						
General Fund	\$1,225,676	\$1,472,918	\$1,619,168	\$1,976,002	\$2,015,005	8,308,769
Tuition	301,623	264,433	476,609	425,034	446,751	1,914,450
County Millage	385,738	89,040	157,215	126,173	223,314	981,480
Federal Funds	0	0	0	0	0	0
Other Funds	1,500	0	200	0	300	2,000
Total Funds	\$1,914,537	\$1,826,391	\$2,253,192	\$2,527,209	\$2,685,370	\$11,206,699

SIX UNIVERSITY UNITS

Budget Item	HB 2 REGULAR FISCAL 1992	HB2 SPECIAL FISCAL 1992	PAY PLAN FISCAL 1992	REVISED TOTAL FISCAL 1992	HB 2 REGULAR FISCAL 1993	HB2 SPECIAL FISCAL 1993	PAY PLAN FISCAL 1993*	REVISED TOTAL FISCAL 1993
<u>Campus</u>								
MSU	53,430,243	52,876,983	1,621,535	54,498,518	53,117,624	50,246,715	2,658,345	52,905,060
UM	44,850,824	44,399,641	1,401,208	45,800,849	44,725,145	42,053,134	2,300,491	44,353,625
EMC	16,414,458	16,244,376	540,418	16,784,794	16,157,860	15,302,369	886,115	16,188,484
NMC	8,621,172	8,524,978	333,096	8,858,074	8,543,537	8,155,725	553,821	8,709,546
WMCUM	4,981,588	4,926,084	208,857	5,134,941	4,915,429	4,664,774	340,813	5,005,587
MCUMST	10,134,610	10,018,488	351,411	10,369,899	10,056,016	9,545,717	575,370	10,121,087
Campus Totals	\$138,432,895	\$136,990,550	\$4,456,525	\$141,447,075	\$137,515,611	\$129,968,434	\$7,314,955	\$137,283,389
<u>Program</u>								
Instruction	76,463,033	76,463,033	1,323,858	77,786,891	76,208,715	76,208,715	2,172,225	78,380,940
Support	39,225,124	39,225,124	2,321,507	41,546,631	38,216,551	38,216,551	3,811,521	42,028,072
Research	1,297,743	1,297,743	59,772	1,357,515	1,268,415	1,268,415	96,766	1,365,181
Public Service	829,049	829,049	54,517	883,566	1,049,882	1,049,882	90,136	1,140,018
Plant O&M	17,109,808	17,109,808	696,871	17,806,679	17,263,910	17,263,910	1,144,307	18,408,217
Scholar & Fellow	3,508,138	3,508,138	0	3,508,138	3,508,138	3,508,138	0	3,508,138
Budget Reduction**	0	(1,442,345)	0	(1,442,345)	0	(7,547,177)	0	(7,547,177)
Total Costs	\$138,432,895	\$136,990,550	\$4,456,525	\$141,447,075	\$137,515,611	\$129,968,434	\$7,314,955	\$137,283,389
<u>Funding</u>								
General Fund	93,922,080	92,479,735	3,296,525	95,776,260	92,760,796	85,213,619	5,410,955	90,624,574
Six Mill Levy	11,887,000	11,887,000	0	11,887,000	12,131,000	12,131,000	0	12,131,000
Tuition	31,998,465	31,998,465	0	31,998,465	31,998,465	31,998,465	0	31,998,465
Other	625,350	625,350	1,160,000	1,785,350	625,350	625,350	1,904,000	2,529,350
Total Funds	\$138,432,895	\$136,990,550	\$4,456,525	\$141,447,075	\$137,515,611	\$129,968,434	\$7,314,955	\$137,283,389

*Preliminary allocation per the Office of Budget and Program Planning.

**The legislature specified that the Board of Regents shall allocate the budget reduction among programs.

SIX UNIVERSITY UNITS

Special Session Action

The legislature reduced general fund support for the six university units by a total of \$1,442,345 in fiscal 1992 and \$7,547,177 in fiscal 1993. Language in House Bill 2 authorizes the Board of Regents to allocate the reduction to each unit among programs and to allocate any tuition revenue increase approved to offset a portion of this reduction amongst all components of the Montana University System (with the exception of the Office of the Commissioner of Higher Education). For a further discussion, see the narrative accompanying the "Special Session Action" table in the Montana University System.

Language

Insert in the boilerplate of the general appropriations act:

"Section 14. Montana university system vacancy. The Montana university system, with the exception of the office of the commissioner of higher education, is excluded from the vacant position provisions in [Section 7]."

Insert at the beginning of Section E of the general appropriations act:

"University units are defined in 17-7-102 (16). For all university units, except the office of the commissioner of higher education, all funds, other than plant funds appropriated in Chapter 774, Laws of 1991, relating to long-range building, and current unrestricted operating funds, are appropriated contingent upon approval of the comprehensive program budget by the board of regents by October 1 of each year. The budget must contain detailed revenues and expenditures and anticipated fund balances of current funds, loan funds, endowment funds, and plant funds. All movement of funds between the current unrestricted subfund and the designated subfund account entities must be clearly identified in the state budgeting and accounting system.

Programs for the university units' budgets, except the office of the commissioner of higher education, include instruction, organized research, public service, academic support, student services, institutional support, operation and maintenance of plant, and scholarships and fellowships.

All university units, except the office of the commissioner of higher education, shall account for expenditures consistently within programs and funds across all units and shall use the national center for higher education management systems program classification structure, along with the college and university business administration (CUBA) system, as a minimum standard for achieving consistency.

Any tuition added through budget amendment in fiscal 1992 and fiscal 1993 may, in the discretion of the board of regents, be distributed among agencies of the Montana university system with the following restriction: tuitions may not be budget amended either directly or indirectly to increase the budget of the office of the commissioner of higher education."

SIX UNIVERSITY UNITS

Insert following the six university units:

"Included within current unrestricted funds (contained in the "other" fund column) to the six university units is the sum of \$11,887,000 in fiscal 1992 and \$12,131,000 from revenues generated under the provision of 20-25-423. The department of revenue shall levy the full 6 mills as authorized in 20-25-423. Revenue received by the university system under the provisions of 20-25-423 that exceed \$11,887,000 in fiscal 1992 and \$12,131,000 in fiscal 1993 is appropriated to the office of the commissioner of higher education for distribution to the university system and must be added by budget amendment by the board of regents in a manner so as to offset reductions in the university system appropriations in [this act] from the levels contained in the general appropriations act of 1991 and acts supplementary thereto."

"It is understood by the 52nd legislature that the appropriations contained in [this act] for the six university units may result in the board of regents electing to limit or reduce enrollment during fiscal 1992 and fiscal 1993. It is the intent of the 52nd legislature that if actual enrollments during the 1993 biennium are fewer than the budgeted number of student full-time equivalents for the 1993 biennium, systemwide or by unit, the legislative fiscal analyst shall present to the 53rd legislature a current level budget for the six units, systemwide and by unit, no lower than the budgeted amount for the 1993 biennium."

It is understood by the 52nd legislature that shortfalls in student tuition due to enrollment declines may be presented to the 53rd legislature for a supplemental appropriation. These tuition shortfalls are not expected to be made up by per-student full-time equivalent tuition increases."

"The 52nd legislature intends for the Montana university system to be subject to the personal services line item requirements contained in [section 2]. The dollar amount of the personal services line item is equal to the following:

- 1) For the research, public service, and plant programs, the line item is equal to the personal services amount contained in table 3 of the Montana University System budget narrative accompanying [this act].
 - 2) For the instruction program, the line item is equal to the personal services identified on the original regents' approved operating budget each fiscal year, but may be no less than the faculty compensation amount contained in table 3 of the Montana University System budget narrative accompanying [this act].
 - 3) For the support program, the line item is equal to the personal services identified on the original regents' approved operating budget each fiscal year.
- It is further the intent of the 52nd legislature that the original budgeted personal services by program on the regents' employee reporting system each fiscal year shall equal the original regents' approved operating budget by program."

Following Montana State University:

"Total audit costs are estimated to be \$110,488 for the biennium. Fifty percent of these costs must be paid from funds other than those appropriated in items 1 through 6."

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"[NSF Mathematics Grant Match] is a biennial appropriation and is contingent on the receipt of the national science foundation mathematics grant being awarded to Montana."

"[The budget reduction line item] reduces Montana state university's total general fund appropriation. Montana state university, with the approval of the approving authority as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly."

Following University of Montana:

"Total audit costs are estimated to be \$110,488 for the biennium. Fifty percent of these costs must be paid from funds other than those appropriated in items 1 through 6."

"[Instruction Program] contains \$130,000 from the general fund in fiscal 1992 and \$130,000 from the general fund in fiscal 1993 for the university of Montana pharmacy school over and above the amount generated by the funding formula for the school of pharmacy. Any grant and donation made to the university of Montana for the express purpose of maintaining accreditation at the school of pharmacy may not reduce funds otherwise allocated from the current unrestricted fund. It is the intent of the legislature that the current unrestricted budget allocation by the university of Montana to the school of pharmacy not be reduced. It is the further intent of the legislature that these additional funds become part of the current level base budget for the university of Montana and be included in the 1995 biennium current level budget analysis prepared by the office of the legislative fiscal analyst and presented to the 53rd legislature."

"[Bureau of Business and Economic Research] is a biennial appropriation."

"[The budget reduction line item] reduces the university of Montana's total general fund appropriation. The university of Montana, with the approval of the approving authority as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly."

Following Eastern Montana College:

"Total audit costs are estimated to be \$69,450 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through 5."

"[Apsaruke Hall Utilities] is for utilities expense at Apsaruke Hall only. Any unused funds shall revert to the general fund at the end of each fiscal year."

"[The budget reduction line item] reduces eastern Montana college's total general fund appropriation. Eastern Montana college, with the approval of the approving authority as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly."

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Following Northern Montana College:

"Total audit costs are estimated to be \$56,823 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through 5."

"[The budget reduction line item] reduces northern Montana college's total general fund appropriation. Northern Montana college, with the approval of the approving authority as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly."

Following Western Montana College of the University of Montana:

"Total audit costs are estimated to be \$58,402 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through 4."

"[The budget reduction line item] reduces western Montana college's total general fund appropriation. Western Montana college, with the approval of the approving authority as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly."

Following Montana College of Mineral Science and Technology:

"Total audit costs are estimated to be \$66,294 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through 5."

"[The budget reduction line item] reduces the Montana college of mineral science and technology's total general fund appropriation. The Montana college of mineral science and technology, with the approval of the approving authority as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly."

Budget as Approved by the Regular 1991 Legislative Session

University system expenditures are grouped into functional categories, including Instruction, Research, Public Service, Support (academic, student services, and institutional), Operation and Maintenance of Plant, and Scholarships and Fellowships.

The Instruction category accounts for all activities that are part of an institution's instruction program, including faculty, department operating costs, and instructional equipment.

Research includes all expenditures for activities specifically organized to produce research outcomes. MSU, UM, and MCMST have research programs supported with current unrestricted funds.

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Public Service includes funds expended for activities that are established primarily to provide noninstructional services beneficial to individuals or groups external to the institution. MSU, UM, EMC, and NMC have current unrestricted funded public service activities.

The Support program includes funds expended to support the institutions' primary missions--instruction, research, and public service, to provide administrative and management support to the academic programs, to provide services that enhance the students' emotional and physical well-being, and to support executive level management activities. Examples of support expenditures include libraries, financial aid, counseling and career guidance, fiscal management, and data processing.

The Plant program includes all expenditures necessary to operate and maintain the physical plant, such as building maintenance, custodial services, and utilities.

Scholarships and Fellowships are fee waivers granted to students as the result of state law or Regent policy--such as veterans and high school honor students--or at the institutions' discretion--such as athletic scholarships.

The Montana University System budget increases from fiscal 1990 to 1992 due to six main factors: 1) pay plan and formula adjustments between fiscal 1990 and 1991 are continued into the 1993 biennium; 2) inflation in fiscal 1992 adds \$1.34 million; 3) budgeted enrollment increases add \$1.84 million; 4) approved budget modifications add \$1.67 million; 5) funding faculty arbitrated salary agreements from the 1991 biennium in the personal services base adds \$3.9 million each year of the 1993 biennium; and 6) other formula adjustments and program expansions discussed later in this "Budget" section add \$6.95 million in fiscal 1992 and \$6.89 million in fiscal 1993.

The legislature implemented a 4 percent personal services reduction in the Research, Public Service, and Physical Plant programs and a 2 percent reduction to non-faculty personal services in the Instruction and Support programs in the 1993 biennium. The total personal services reduction for the six units is \$982,381 each fiscal year funded by general fund.

The university system current unrestricted fund budget is calculated for all six campuses using a combination of a workload-related formula and a "base-plus-inflation" (or incremental) approach for certain budget programs. The Instruction and Support program budgets are derived using the funding formula and fiscal 1991 budget factors adopted by the 1989 legislature, adjusted for program enhancements and expansions approved by the 1991 legislature. The formula calculations also considered enrollment changes at the campuses and anticipated inflation in the 1993 biennium. The Research, Public Service, and Plant Operation and Maintenance program budgets are estimated using the incremental approach used for most other state agency budgets. For these programs, actual fiscal 1990 expenditures within the legislative appropriation have been continued into the 1993 biennium with adjustments reflecting one-time costs, inflation adjustments, pay plan increases through fiscal 1991, and program expansions approved by the 1991 legislature.

State general fund increases faster than overall expenditures in the current level budget because other sources have declined or become unavailable for use in the current unrestricted operating budget.

The sections below describe the formula mechanics and budget components in more detail.

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Funding Formula Factors

The funding formula uses the following factors to estimate the current unrestricted Instruction and Support budget for the six units: 1) the average of actual enrollment for the two most recent fiscal years (fiscal years 1989 and 1990); 2) student/faculty ratios; 3) average faculty salaries; 4) faculty benefit rates; 5) instructional support cost per student; and 6) support program cost per student. The Instruction and Support programs total 83.0 percent of the current unrestricted budget.

Instruction

The Instruction program budget is developed using formula factors #1 through #5. The Instruction budget is a combination of instructional faculty compensation and instructional support costs, which consist of support personnel and actual operating costs and instructional equipment. Instructional compensation is calculated using student enrollment, student/faculty ratios, and an average faculty salary plus benefits. The student enrollment is divided by the student/faculty ratio to compute the FTE faculty. The FTE faculty is then multiplied by the average faculty salary plus benefits to compute total instructional faculty compensation. An instructional support rate per FTE student is multiplied by the student enrollment and added to the faculty compensation to determine the total Instruction program budget.

The enrollment used in the formula budgets is based on the average of the previous two years' actual enrollments. Table 1 shows the actual enrollment for fiscal 1989 and 1990 and the average used in the 1993 biennium budget calculations. Table 1 also shows the enrollment used in the 1991 biennium budget for comparative purposes. The two-year average enrollment used in the 1993 biennium budget is 25,136, a 2.1 percent increase from the budgeted enrollment for the 1991 biennium. The enrollment changes range from a 6.7 percent increase at the University of Montana to a 3.5 percent decrease at the Montana College of Mineral Science and Technology.

The student/faculty ratios, average faculty salary, and faculty benefit rates used to determine the 1993 biennium instructional faculty costs are summarized in Table 1. The student/faculty ratios are those adopted by the 1989 legislature for fiscal year 1991, adjusted as necessary for the program enhancements and expansions discussed later in this "Budget" section. The average faculty salaries are based on fiscal 1988 Montana average salaries with "six-and-six" percent increases negotiated with the units by the Board of Regents and arbitrated salary increases which exceeded the 1991 biennium pay plan. The arbitrated salary increase was a 2.5 percent annual increase and a 1.0 percent merit pool in addition to the annual 6.0 percent increase funded by the 1989 legislature. All six campuses received the arbitrated salary adjustment in its personal services base for the 1993 biennium. The benefits rates are based on the anticipated 1993 biennium rates for teacher's retirement, FICA, state unemployment, workers' compensation, and fiscal 1991 rates for group health insurance.

The instructional support costs of the Instruction program are determined by multiplying the budgeted enrollment by a cost per student. Instructional support costs are non-teaching instruction departmental costs, such as clerical support, operating costs, and instructional equipment. The instructional support rate used to determine the 1993 biennium instructional support cost are those rates adopted by the 1989 legislature for fiscal 1991, adjusted for the 1991 biennium pay plan, estimated 1993 biennium inflation, and for the program enhancements and expansions discussed later in this "Budget" section. The instructional support rates on Table 1 **do not** include the 1993 biennium pay plan.

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Support

The Support program budget is calculated using student enrollment and a flat rate per FTE student. The support cost factors used to determine the 1993 biennium budget are those rates adopted by the 1989 legislature for fiscal 1991, adjusted for the 1991 biennium pay plan, estimated 1993 biennium inflation, and for the program enhancements and expansions discussed later in this "Budget" section. The support rates on Table 1 **do not** include the 1993 biennium pay plan.

Legislative audit costs total \$471,945 in the 1993 biennium. The budget anticipates 25 percent of total audit costs at Eastern, Northern, Western, and Montana Tech will be paid from funds other than the current unrestricted fund and 50 percent will be paid from non-current unrestricted funds at Montana State University and the University of Montana. Total audit costs budgeted from the current unrestricted fund are \$298,716, which are added to the Support program formula calculations. This is consistent with action taken by previous legislatures.

Table 1
Funding Formula Components Adopted By The 1991 Legislature

Formula Component	MSU	UM	EMC	NMC	WMCUM	MCMT	TOTAL
1. Enrollment							
FY89 Actual	9,371	7,977	3,287	1,548	954	1,546	24,683
FY90 Actual	9,543	8,587	3,354	1,581	877	1,499	25,441
1993 Biennium Average (1)	9,457	8,282	3,321	1,637	916	1,523	25,136
1991 Biennium Average	9,476	7,759	3,296	1,631	877	1,578	24,617
Change 1991 - 1993 Biennium	(19)	523	25	6	39	(55)	519
No. of FTE	-0.2%	6.7%	0.8%	0.4%	4.4%	-3.5%	2.1%
Percent Change							
2. Student Faculty Ratio (2)							
Fiscal 1991	17.63	18.38	19.00	15.50	15.46	16.61	
Fiscal 1992	17.26	18.34	18.48	15.50	15.46	15.91	
Fiscal 1993	16.88	18.34	18.48	15.50	15.46	15.91	
3. Average Faculty Salary							
FY91 Appropriated	\$35,086	\$35,086	\$29,680	\$28,620	\$28,620	\$35,086	
FY92 & 93 with salary arbitration agreement	\$37,441	\$37,441	\$31,673	\$30,542	\$30,542	\$37,441	
4. Average Faculty Benefits	21.070%	21.089%	22.019%	22.214%	22.126%	21.058%	

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Formula Component	MSU	UM	EMC	NMC	WMCM	MCMT	TOTAL
5. Instructional Support Rate (3)							
FY91 Appropriated Rate	\$514	\$428	\$331	\$350	\$379	\$557	
FY91 Rate with 1991 Biennium Pay Plan	\$517	\$431	\$334	\$352	\$382	\$560	
FY92 Appropriated Rate	\$550	\$444	\$385	\$353	\$385	\$735	
FY93 Appropriated Rate	\$580	\$446	\$351	\$353	\$386	\$736	
6. Support Rate (3)							
FY91 Appropriated Rate	\$1,436	\$1,424	\$1,486	\$1,473	\$1,602	\$1,788	
FY91 Rate with 1991 Biennium Pay Plan	\$1,454	\$1,442	\$1,503	\$1,492	\$1,623	\$1,810	
FY92 Appropriated Rate	\$1,470	\$1,476	\$1,549	\$1,499	\$1,631	\$1,827	
FY93 Appropriated Rate	\$1,476	\$1,482	\$1,549	\$1,500	\$1,634	\$1,833	

(1) The legislature added 72 budgeted FTE for the Great Falls campus.

(2) The student faculty ratio is rounded to two decimal places for presentation purposes. The 1993 biennium ratios at MSU, UM, EMC and MCMT reflect accreditation adjustments.

(3) The fiscal 1992 and 1993 appropriated rates reflect the fiscal 1991 appropriated rate adjusted for the 1991 biennium pay plan, the 1993 biennium estimated inflation, and accreditation adjustments at MSU, UM, EMC, and MCMT.

Incremental Budgeting*Research, Public Service, and Plant Operations & Maintenance*

These programs are budgeted using the incremental method used for most other state agencies. The actual fiscal year 1990 current level expenditures within legislative appropriations are continued into the 1993 biennium with one-time appropriations removed and new space appropriations annualized. Personal services costs have been adjusted to fiscal 1991 appropriated levels and reduced four percent for vacancy savings. The legislature approved several current level adjustments and program enhancements and expansions which the legislature intends to become part of the base operating budget. These adjustments are discussed in the next section.

Scholarships and Fellowships

This program budget increases 4.0 percent from fiscal 1990 to 1992 because of the budgeted enrollment increase and the increased number of students eligible for mandatory fee waivers. This budget is developed using 5.75 percent of anticipated registration and in-state incidental fees and 18.45 percent of projected out-of-state incidental fees. This methodology has been used by the legislature since 1981. Projections, based on fiscal 1990 actual expenditures, are also included for mandatory fee waivers for eligible students: Native Americans, veterans, senior citizens, high school honor recipients, war orphans, prisoners of war, custodial, community college honor, and national merit.

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Formula Adjustments and Program Expansions

The legislature approved several current level formula adjustments and program enhancements and expansions. These adjustments are listed below by unit for each fiscal year and are discussed in detail following Table 2. All adjustments, except #2 and a portion of #12, are intended to become a permanent part of the base operating budget. Adjustment #13, vacancy savings, is decided by legislative action each session.

Table 2
Current Level Adjustments Approved by Legislature
University System 1993 Biennium Budget

Adjustment	Program	MSU	UM	EMC	NMC	WMC	MCMST	TOTAL
1. Arbitrated Salaries FY 92 FY 93	Instruction	\$1,529,698 \$1,529,698	\$1,284,977 \$1,284,977	\$425,081 \$425,081	\$237,160 \$237,160	\$139,077 \$139,077	\$261,460 \$261,460	\$3,877,453 \$3,877,453
2. NSF Math Grant Match FY 92 FY 93	Instruction	\$1,000,000						\$1,000,000 \$0
3. Nursing Expansion FY 92 FY 93	Instruction	\$313,388 \$584,443						\$313,388 \$584,443
4. NMC-Gt. Falls Campus FY 92 FY 93	Instruction				\$198,804 \$198,804			\$198,804 \$198,804
	Support				\$107,928 \$108,000			\$107,928 \$108,000
5. Accreditation Needs FY 92 FY 93	Instruction	\$502,711 \$1,061,792	\$199,401 \$199,401	\$349,487 \$233,252			\$445,392 \$445,392	\$1,496,991 \$1,939,837
	Support			\$63,099 \$49,815				\$63,099 \$49,815
6. Liability Insurance Premium Increases FY 92 FY 93	Support	(\$8,027) (\$3,827)	\$62,777 \$69,438	\$68,529 \$73,777	\$84,283 \$89,997	\$1,474 \$1,780	\$904 \$1,520	\$209,940 \$232,685
7. Disability Services FY 92 FY 93	Support		\$99,384 \$99,384	\$63,099 \$69,741				\$162,483 \$169,125

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Adjustment	Program	MSU	UM	EMC	NMC	WMC	MCMT	TOTAL
8. Museum of the Rockies								
FY 92	Public Service	\$150,000						\$150,000
FY 93		\$150,000						\$150,000
9. Public Television								
FY 92	Public Service	\$100,000	\$30,000					\$130,000
FY 93		\$200,000	\$150,000					\$350,000
10. Montana Repertory Theatre								
FY 92	Public Service		\$90,000					\$90,000
FY 93			\$90,000					\$90,000
11. Yellow Bay Research Center								
FY 92	Research		\$92,000					\$92,000
FY 93			\$92,000					\$92,000
12. Additional Program Support								
FY 92	Physical Plant			\$20,503				\$20,503
FY 93				\$16,024				\$16,024
				\$18,000				\$18,000
FY 92	Public Service			\$18,000				\$18,000
FY 93								
13. Vacancy Savings								
FY 92	All Programs	(\$330,386)	(\$356,876)	(\$113,957)	(\$54,272)	(\$48,375)	(\$78,515)	(\$982,381)
FY 93		(\$330,386)	(\$356,876)	(\$113,957)	(\$54,272)	(\$48,375)	(\$78,515)	(\$982,381)
TOTAL CURRENT LEVEL ADJUSTMENTS								
FY 92		\$3,257,384	\$1,501,663	\$893,841	\$573,903	\$92,176	\$629,241	\$6,948,208
FY 93		\$3,191,720	\$1,628,324	\$771,733	\$579,689	\$92,482	\$629,857	\$6,893,805
1993 BIENNium TOTAL		\$6,449,104	\$3,129,987	\$1,665,574	\$1,153,592	\$184,658	\$1,259,098	\$13,842,013

1. Arbitrated Salaries - The legislature funded salary increases from the 1991 biennium achieved through an arbitration agreement. This agreement provided a 2.5 percent annual increase and a 1.0 percent merit pool each year of the 1991 biennium. This increase was not funded by the 1989 legislature, but was added to the personal services base by the 1991 legislature. The average faculty salary used in formula calculations and on Table 1 reflects the salary arbitration agreement.

2. NSF Math Grant Match - One million dollars general fund was approved for use as state matching funds for a National Science Foundation math grant to develop a new method of teaching mathematics to high school students. The appropriation was established at Montana State University but is intended for use at all campuses. An additional \$1.0 million annually will be required as a state match in fiscal years 1994-1997. The total grant from the National Science Foundation is \$9.9 million.

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3. Nursing Expansion - With the approved program expansion, the Montana State University School of Nursing will hire sufficient faculty at its Missoula campus to accommodate 30 additional students in the "pipeline" from fiscal 1991 levels.
4. NMC-Great Falls Campus - The legislature increased budgeted enrollment by 72 students at Northern Montana College to allow for actual enrollment increases at the Great Falls campus. This adjustment impacted the instruction and support programs and added \$306,732 in fiscal 1992 and \$306,804 in fiscal 1993.
5. Accreditation Needs - Several of the campus' accreditation needs were addressed by the legislature through the following biennial adjustments: 1) \$1,564,503 for MSU's engineering program; 2) \$398,802 for UM's pharmacy school; 3) \$695,653 for EMC's education program; and 4) \$890,784 for MCMST's engineering program. These amounts were added to the base budgets.
6. Liability Insurance Premium Increases - The legislature added the net change in liability insurance premiums from fiscal 1988 to fiscal years 1992 and 1993 paid to the Tort Claims Division of the Department of Administration. This resulted in a small decrease at Montana State University and increases at the five remaining units, for an overall cost increase totaling \$442,625 in the 1993 biennium.
7. Disability Services - The legislature approved additional funding at the University of Montana (\$198,768) and Eastern Montana College (\$132,840) to address the need to improve educational services to disabled students.
8. Museum of the Rockies - The legislature approved \$150,000 annually for general support of the Museum of the Rockies.
9. Public Television - The University of Montana and Montana State University received a total of \$480,000 in the 1993 biennium for the support and enhancement of public television services in Montana.
10. Montana Repertory Theatre - The legislature approved \$90,000 annually for the transformation of the Montana Repertory Theatre at the University of Montana into a "Cultural Extension Service". The additional funds will enable the Repertory Theatre to perform and teach "in residence" at each of the units of the university system. This increased support will be an on-going part of the base operating budget for the University of Montana.
11. Yellow Bay Research Center - The legislature added 1.0 FTE faculty and equipment each year of the 1993 biennium at an annual cost of \$92,000. This increased support will be an on-going part of the base operating budget for the University of Montana.
12. Additional Program Support - The legislature added \$20,000 general fund in the 1993 biennium to the Physical Plant program at Eastern Montana College for utilities expense at Apsaruke Hall and \$16,527 general fund in the 1993 biennium for a special improvement district assessment from the city of Billings. The amount needed by EMC for SID payments in future biennia is expected to decline continually until the SID is paid off in 2006. The legislature also allowed an adjustment to the personal services cost in the Public Service program at Eastern Montana College. Eighteen thousand dollars were added annually to the fiscal 1991 legislative personal services appropriation because the campus transferred operating expenses into personal services in fiscal 1990 due to a realignment of expenditures.

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13. Vacancy Savings - Two percent vacancy savings was applied to non-faculty positions in the Instruction and Support programs and four percent vacancy savings was applied to all positions in the Research, Public Service, and Physical Plant programs for a total savings of \$1,964,762 in the 1993 biennium. No vacancy savings was applied to faculty positions.

Expenditure Summary

Table 4 shows the budgeted expenditures by budget program for each campus in the 1993 biennium, as approved during the 1991 regular session and amended during the 1992 special session.

Personal Services Line-Item

Table 3 shows the personal services line item by program by campus for each year of the 1993 biennium. The Instruction program includes faculty compensation only. The instructional support component of the Instruction program and the Support program are not included in this table because those costs are derived from a flat rate per student. However, the legislature included "boilerplate" language specifying that the Instruction and Support programs' personal services line item is to equal the personal services identified in the original regents' approved operating budget each year, and for the Instruction program, the personal services line item shall also be no less than the faculty compensation amount identified below in Table 3.

The table includes all reductions made by the legislature during the January 1992 special session, in the faculty compensation line item. Language in House Bill 2 gives the Board of Regents authority to allocate this reduction among programs. It is shown in this way to provide flexibility in making budget reductions.

Table 3
Personal Services Line Item
Montana University System - Six Units

	MSU	UM	EMC	NMC	WMCUM	MCMST	TOTAL
Fiscal Year 1992							
Instruction Program							
Faculty Compensation	\$24,288,724	\$20,022,125	\$6,775,099	\$3,845,977	\$2,154,493	\$4,222,688	\$61,309,106
Research Program	417,093	457,706	0	0	0	32,033	906,832
Public Service Program	9,362	222,600	201,216	0	0	0	433,178
Plant Program	1,888,789	2,615,618	652,917	457,952	517,227	869,893	7,002,397
Total	\$26,603,968	\$23,318,049	\$7,629,232	\$4,303,929	\$2,671,721	\$5,124,614	\$69,651,513
Fiscal Year 1993							
Instruction Program							
Faculty Compensation	\$22,526,958	\$17,801,297	\$6,089,690	\$3,554,359	\$1,959,342	\$3,828,511	\$55,760,157
Research Program	417,093	457,706	0	0	0	32,033	906,832
Public Service Program	9,362	222,600	201,216	0	0	0	433,178
Plant Program	1,888,789	2,615,618	652,917	457,952	517,227	869,893	7,002,396
Total	\$24,842,202	\$21,097,221	\$6,943,823	\$4,012,311	\$2,476,569	\$4,730,437	\$64,102,563

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Summary of Budget Modifications

		FY 1992		FY 1993			
	PGM	FTE	General Fund	Other Funds	FTE	General Fund	Other Funds
1) Regents Emp. Reporting System							
MSU	44	.83	28,580		.83	28,580	
UM	44	.72	25,766		.72	25,766	
EMC	44	.36	14,608		.36	14,608	
NMC	44	.31	9,050		.31	9,050	
WMCUM	44	.30	8,865		.30	8,865	
MCMST	44	.30	8,993		.30	8,993	
2) Minimum Wage							
MSU	44		75,232			75,232	
UM	44		73,740			73,740	
EMC	44		35,563			35,563	
NMC	44		39,730			39,730	
WMCUM	44		38,507			38,507	
MCMST	44		35,041			35,041	
3) Library Books							
MSU	44		321,683				
UM	44		281,715				
EMC	44		112,965				
NMC	44		53,234				
WMCUM	44		31,158				
MCMST	44		51,805				
4) Bureau of Business & Economic Research - UM							
	02		30,000				
TOTALS		2.82	\$1,276,235		2.82	\$393,675	

1) Regents Employee Reporting System - The 1989 legislature enacted House Bill 26 requiring the development of a centralized personnel reporting system for the university system and vocational-technical centers. Implementation of the system was completed in fiscal 1992.

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The budget includes 2.82 FTE each year and \$191,724 in the 1993 biennium for the six university units to provide information to the centralized system.

- 2) Minimum Wage Increase - This budget modification provides \$595,626 general fund in the 1993 biennium for the six university units to continue to provide the same level of employment opportunities to students while increasing the hourly rate to the federal minimum wage level.
- 3) Library Book Acquisitions - The budget includes \$852,560 general fund in fiscal 1992 for the six university units to increase library material acquisitions.
- 4) Bureau of Business & Economic Research-UM - This budget modification provides \$30,000 general fund in the 1993 biennium for the Bureau of Business and Economic Research at the University to continue its economic forecasting program and publications. This program was formerly funded by a grant from US West.

Funding

The current unrestricted budget of the university system is funded from state sources (general fund and a six-mill statewide property tax levy), student tuition and fees, and other miscellaneous sources. General fund has increased faster between fiscal 1990 and 1992 than the overall expenditure increase because other revenues have declined, have been redirected for other uses, or are no longer available. The statewide six mill levy revenue is expected to decrease 1.4 percent from fiscal 1990 to 1992 and then increase 2.1 percent from fiscal 1992 to 1993. The 1989 legislature authorized the campuses to retain 100 percent of indirect cost reimbursements received by the university system for research grants and contracts beginning in fiscal 1991. In fiscal 1990, indirect cost reimbursements deposited to the current unrestricted fund totaled \$1,213,672. Finally, interest earnings from the education trust were received in fiscal 1990 but are no longer available as the education trust fund principal has been spent.

Tuition revenue is budgeted to increase 3.9 percent from fiscal 1990 to 1992 because of higher budgeted enrollment. No tuition rate increase is included in the budget. The Board of Regents, which establishes tuition and fee rates for the university system, increased rates in June, 1991. This additional revenue, which totals \$1.2 million, was added via budget amendment in fiscal 1992 and will be added via the same mechanism in fiscal 1993. The legislature in special session in January, 1992 added tuition revenue authority of \$5.2 million in fiscal 1993 for any additional tuition increase in that year that may be enacted to offset a portion of the budget reduction imposed. For a further discussion, see the narrative accompanying the table in the Montana University System section.

Other revenue includes federal administrative allowances for student aid programs and miscellaneous fees and charges. The budget is based on actual fiscal 1990 collections of these other revenue sources.

Table 4 details the revenue sources by campus for each year of the 1993 biennium. The table reflects action taken by the legislature in the January 1992 special session. However, it does not include pay plan added in House Bill 509.

SIX UNIVERSITY UNITS

Table 4
Summary of Budgeted Expenditures and Funding Sources, * 1993 Biennium

Fiscal 1992	MSU	UM	EMC	NMC	WMCUM	MMCST	TOTAL
<u>Program</u>							
Instruction	31,085,324	24,636,275	8,212,798	4,516,607	2,558,778	5,453,251	76,463,033
Support	14,183,595	12,542,064	5,360,582	2,651,011	1,594,857	2,893,015	39,225,124
Research	594,926	661,517	0	0	0	41,300	1,297,743
Public Service	260,362	306,560	253,236	8,891	0	0	829,049
Plant O&M	5,978,306	5,476,334	2,205,127	1,166,288	738,270	1,545,483	17,109,808
Scholar & Fellow	1,327,730	1,228,074	382,715	278,375	89,683	201,561	3,508,138
Budget Reduction**	(553,260)	(451,183)	(170,082)	(96,194)	(55,504)	(116,122)	(1,442,345)
Total Costs	\$52,876,983	\$44,399,641	\$16,244,376	\$8,524,978	\$4,926,084	\$10,018,488	\$136,990,550
<u>Funding</u>							
General Fund	36,193,138	28,720,767	10,764,299	6,033,133	3,455,346	7,313,052	92,479,735
Six Mill Levy	4,458,851	4,012,172	1,567,116	738,703	409,768	700,390	11,887,000
Tuition	11,914,050	11,557,412	3,854,957	1,727,379	1,035,137	1,909,530	31,998,465
Other	310,944	109,290	58,004	25,763	25,833	95,516	625,350
Total Funds	\$52,876,983	\$44,399,641	\$16,244,376	\$8,524,978	\$4,926,084	\$10,018,488	\$136,990,550
Fiscal 1993							
<u>Program</u>							
Instruction	30,924,917	24,652,839	8,099,884	4,516,607	2,559,694	5,454,774	76,208,715
Support	13,867,610	12,261,459	5,200,777	2,562,511	1,522,951	2,801,243	38,216,551
Research	594,947	632,053	0	0	0	41,415	1,268,415
Public Service	360,362	426,596	254,033	8,891	0	0	1,049,882
Plant O&M	6,042,058	5,524,124	2,220,451	1,177,153	743,101	1,557,023	17,263,910
Scholar & Fellow	1,327,730	1,228,074	382,715	278,375	89,683	201,561	3,508,138
Budget Reduction**	(2,870,909)	(2,672,011)	(855,491)	(387,812)	(250,655)	(510,299)	(7,547,177)
Total Costs	\$50,246,715	\$42,053,134	\$15,302,369	\$8,155,725	\$4,664,774	\$9,545,717	\$129,968,434
<u>Funding</u>							
General Fund	33,471,345	26,291,904	9,790,124	5,648,717	3,185,625	6,825,904	85,213,619
Six Mill Levy	4,550,376	4,094,528	1,599,285	753,866	418,179	714,766	12,131,000
Tuition	11,914,050	11,557,412	3,854,957	1,727,379	1,035,137	1,909,530	31,998,465
Other	310,944	109,290	58,003	25,763	25,833	95,517	625,350
Total Funds	\$50,246,715	\$42,053,134	\$15,302,369	\$8,155,725	\$4,664,774	\$9,545,717	\$129,968,434

*Does not include pay plan appropriated in House Bill 509.

**The legislature specified that the Board of Regents shall allocate the budget reduction among programs.

SIX UNIVERSITY UNITS

Other Legislation

Several bills were enacted by the 52nd legislature that impact the six university units and its affiliated agencies. These bills are listed below and discussed in detail following the table. The appropriations contained in these bills are in addition to the base operating budget contained in House Bill No. 2.

Bill No./Description	Fiscal 1992		Fiscal 1993	
	FTE	General Fund	FTE	General Fund
Total Funds				Total Funds
HB 684 - Clean Fuels Information				\$500,000
HB 5 - Capital Construction		\$1,767,500		61,637,050
HB 8 - RIT Grants				168,134
HB 9 - Cultural & Aesthetic Grants				148,534
SB 242 - Research/Dev. Project Loans				4,100,000 *
Total		\$1,767,500		\$66,553,718

NOTE: All "Other Legislation" appropriations are biennial.

* Research and Development loans contingent upon the loans containing repayment requirements set forth in 90-3-522 and 90-3-524, MCA.

HB 684 - Clean Fuels Information - The legislature approved a \$500,000 biennial appropriation from the local impact account (which is funded by 6.65 percent of total coal severance tax collections) to Eastern Montana College to provide funding for a clean fuels information depository, distribution, and market development center. The legislature intends that the center enhance the current technology research and development being conducted in the Montana University System.

HB 5 - Capital Construction - As part of its capital construction program, the legislature approved \$36,511,430 from long range building program funds and bond proceeds, \$1,767,500 of general fund, and \$23,358,120 from other funds for Montana University System projects. A total of \$54,621,000 is provided for planning and capital construction, \$5,816,050 is included for maintenance and improvement projects, and \$1,200,000 is included for major equipment purchases. The 1991 legislature had appropriated \$61,752,050, including \$3,000,000 of general fund. The figures above include all adjustments made by the legislature in special session in January, 1992.

HB 8 - RIT Grants - The legislature approved three university system projects funded from Resource Indemnity Trust interest totaling \$164,134 for the 1993 biennium. These projects include \$82,885 to MSU for its reclamation research unit, \$45,500 to MSU for trout stream restoration, and \$39,749 to the Bureau of Mines for the study of downhole geophysical logging techniques.

SIX UNIVERSITY UNITS

HB 9 - Cultural and Aesthetic Grants - Six university projects received legislative approval for cultural and aesthetic grant funding in the 1993 biennium. Montana State University will receive a total of \$95,534 for four projects impacting its Shakespeare in the Parks program, public television, and the School of Art, and the University of Montana will receive a total of \$53,000 for two projects impacting the Montana Repertory Theater and public radio.

SB 242 - Research and Development Project Loans - This legislation directs \$4.1 million of the in-state investment fund to be used for research and development project loans as follows: 1) \$600,000 to meet state matching fund requirements for the National Science Foundation awards to the Center for Interfacial Microbial Process Engineering; and 2) \$3.5 million for loans relating to but not limited to the Centers of Excellence program and the Montana Entrepreneurial Center and to meet state matching fund requirements for the National Science Foundation's Experimental Program to Stimulate Competitive Research (EPSCOR). The bill requires these loans to contain the repayment requirements set forth in 90-3-522 and 90-3-524, MCA. Section 11 of the bill also requires to Board of Regents to conduct an assessment of its intellectual property management system programs and policies and, based on the assessment, consider the adoption of a system of intellectual property management that will provide a coordinated and effective method of meeting payback requirements for these loans. A final report and recommendation for intellectual property management must be presented to the Montana Board of Science and Technology Development by January 1, 1992.

HB 454 - Boilerplate Bill - This bill does not provide an appropriation but contains a provision which will have significant impact on the university system. Section 6 exempts the six university units, experiment stations, and vocational technical centers from reverting unused appropriations to the general fund at the end of the fiscal year. Instead, any unused funds are to be deposited to an account held by the Board of Regents for use in accordance with a long-term plan approved by the Board of Regents for major and deferred maintenance expenditures and equipment or fixed asset purchases. The Board of Regents are directed to communicate the plan to each legislature, to the legislative finance committee when requested, and to the office of budget and program planning.

AGRICULTURAL EXPERIMENT STATION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	260.67	260.67		260.67	261.67	261.67		261.67
Personal Services	8,066,661	7,949,242	434,879	8,384,121	8,090,498	7,875,679	715,708	8,591,387
Operating Expenses	1,529,508	1,529,508	0	1,529,508	1,525,835	1,525,835	0	1,525,835
Equipment	258,633	258,633	0	258,633	243,633	243,633	0	243,633
Total Costs	\$9,854,802	\$9,737,383	\$434,879	\$10,172,262	\$9,859,966	\$9,645,147	\$715,708	\$10,360,855
Fund Sources								
General Fund	7,338,082	7,220,663	0	7,220,663	7,358,615	7,143,796	0	7,143,796
Current Unrestricted	2,516,720	2,516,720	434,879	2,951,599	2,501,351	2,501,351	715,708	3,217,059
Total Funds	\$9,854,802	\$9,737,383	\$434,879	\$10,172,262	\$9,859,966	\$9,645,147	\$715,708	\$10,360,855

Agency Description

The Montana Agricultural Experiment Station (MAES) was established at Montana State University by the legislature in 1893 under Hatch Act authorization enacted by the U.S. Congress. Its mission, as provided in Section 20-25-222, MCA, is to conduct research relating to agriculture, natural resources, and rural life and to distribute the resulting information among the people of Montana. The MAES is the agricultural research component of the land-grant university's three-part mission of teaching, research, and service.

The goal of the MAES is to enhance the social and economic well-being of the state, national, and international communities through research programs addressing problems facing crop and livestock producers and consumers of agricultural products. Research is conducted to improve the competitive position of Montana farmers and ranchers; to ensure the safety, wholesomeness, and cost-effectiveness of agricultural production; and to develop agricultural techniques applicable to semi-arid and intermountain regions throughout the world.

Special Session Action

The legislature imposed a \$117,419 reduction in the agency's total general fund budget for fiscal 1992 and \$214,819 for fiscal 1993. Since the agency will be allowed to allocate this budget reduction among programs, it is reflected in the agency table above but is not reflected in individual program tables and not discussed in the program narratives. The last program in the agency, entitled "Budget Reduction", shows the budget reduction imposed on the Agriculture Experiment Station by the legislature during the special

AGRICULTURAL EXPERIMENT STATION

session. For a further discussion, see the narrative accompanying the table in the "Special Session Action" section of the Montana University System.

Language

"[The budget reduction line item] reduces the agricultural experiment station's total general fund appropriation. The agricultural experiment station, with the approval of the approving authority as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly."

Budget as Approved by the Regular 1991 Legislative Session

The budget increases due to: 1) continuing fiscal 1991 pay increases and arbitrated salary increases from the 1991 biennium in the personal services base for the 1993 biennium; 2) providing inflationary adjustments in operating expenses; 3) increasing equipment; and 4) the budget modification approved by the legislature. These increases were offset \$163,669 in fiscal 1992 and \$166,495 in fiscal 1993 due to 4 percent personal services reductions for non-faculty personnel.

Summary of Budget Modifications

	PGM	FTE	FY 1992-		FY 1993-		Other Funds	
			General Fund		General Fund			
1) Biological Weed Control	02	1.00	60,000		2.00		80,572	
TOTALS		1.00	\$60,000		2.00		\$80,572	

1) Biological Weed Control - This budget modification would allow additional and more rapid development and use of plant pathogens as biological control agents for a variety of weed pests that impact field crops. The modification includes 1.0 FTE faculty in fiscal 1992 and 2.0 FTE (1.0 FTE faculty and 1.0 FTE lab assistant) in fiscal 1993 and a total of \$140,572 general fund in the 1993 biennium.

Funding

The MAES is funded from general fund, sales and service revenue, and federal funds. Federal revenue estimates reflect fiscal 1991 grant award amounts less a portion for the personal services reduction. The primary funding source for pay plan is the general fund.

AGRICULTURAL EXPERIMENT STATION

Other Legislation

Bill No./Description	Fiscal 1992		Fiscal 1993	
	FTE	Total Funds	General Fund	Total Funds
HB 365* - Applied Genetic Engineering		\$60,000		
* Biennial Appropriation				

HB 365 - Applied Genetic Engineering - The legislature approved a \$60,000 biennial general fund appropriation to provide additional support for applied genetic engineering technology research and development to enhance Montana agricultural products. The bill stipulates that no administrative or other indirect costs may be funded by this appropriation.

SB 123 - Noxious Weed Trust Fund Grants - This bill does not contain a specific appropriation; however, it authorizes grants to the Agricultural Experiment Station and the Cooperative Extension Service for crop weed management research, evaluation, and education as an allowable use of the noxious weed management trust fund. The legislation requires the experiment station and the extension service to submit annual reports on current projects and future plans to the noxious weed management advisory council.

ORGANIZED RESEARCH

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	244.00	244.00		244.00	245.00	245.00		245.00
Personal Services	7,705,908	7,705,908	434,879	8,140,787	7,729,745	7,729,745	715,708	8,445,453
Operating Expenses	1,518,917	1,518,917	0	1,518,917	1,515,293	1,515,293	0	1,515,293
Equipment	240,633	240,633	0	240,633	240,633	240,633	0	240,633
Total Costs	\$9,465,458	\$9,465,458	\$434,879	\$9,900,337	\$9,485,671	\$9,485,671	\$715,708	\$10,201,379
Fund Sources								
General Fund	7,338,082	7,338,082	0	7,338,082	7,358,615	7,358,615	0	7,358,615
Current Unrestricted	2,127,376	2,127,376	434,879	2,562,255	2,127,056	2,127,056	715,708	2,842,764
Total Funds	\$9,465,458	\$9,465,458	\$434,879	\$9,900,337	\$9,485,671	\$9,485,671	\$715,708	\$10,201,379

Program Description

The Montana Agricultural Experiment Station research program includes fourteen academic departments, service divisions, and laboratories located at Bozeman and seven Agricultural Research Centers located around the state. Considerable research activity is also conducted using the land and facilities of private Montana farmers and ranchers.

Research projects relating to agricultural activities and other uses of natural resources are undertaken to enhance knowledge of the social, environmental, and economic impacts of agricultural production activities and policies; to make research findings useful in their applications to the problems and choices facing the state; and to disseminate research findings in an understandable manner to other scientists and private citizens.

Budget as Approved by the Regular 1991 Legislative Session

The budget increases 8 percent from fiscal 1990 to 1992 due primarily to salary and health insurance increases allowed in fiscal 1991 and continued into the 1993 biennium and arbitrated salary increases during the 1991 biennium which exceeded legislative funding levels. This arbitration adjustment adds \$260,314 annually to the personal services base in the 1993 biennium. The legislature applied a four percent personal services reduction to non-faculty, resulting in a \$148,638 reduction in fiscal 1992 and \$151,464 reduction in fiscal 1993.

ORGANIZED RESEARCH

Operating costs are included at approximately the fiscal 1990 level with adjustments for inflation (\$26,528 in fiscal 1992 and \$27,077 in fiscal 1993), increased insurance costs from the fiscal 1990 actual level (\$1,244 in fiscal 1992 and \$2,250 in fiscal 1993), and increased recharges from Montana State University (\$10,009 annual increase). Equipment is funded at \$240,633 annually for new and replacement scientific equipment.

Funding

The MAES is funded from the general fund, sales and service revenue, and federal funds. The budget projects expenditures funded from sales and service revenue to remain at the fiscal 1990 level. Federal regional research funds are budgeted to increase 3.9 percent from fiscal years 1990 to 1992 and other Hatch Act funds will increase 6.5 percent. These estimates are based upon federal fiscal year 1991 grant amounts less approximately \$18,000 annually for the personal services reduction.

US RANGE STATION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	16.67	16.67		16.67	16.67	16.67		16.67
Personal Services	360,753	360,753	0	360,753	360,753	360,753	0	360,753
Operating Expenses	10,591	10,591	0	10,591	10,542	10,542	0	10,542
Equipment	18,000	18,000	0	18,000	3,000	3,000	0	3,000
Total Costs	\$389,344	\$389,344	\$0	\$389,344	\$374,295	\$374,295	\$0	\$374,295
<u>Fund Sources</u>								
Current Unrestricted	389,344	389,344	0	389,344	374,295	374,295	0	374,295
Total Funds	\$389,344	\$389,344	\$0	\$389,344	\$374,295	\$374,295	\$0	\$374,295

Program Description

The United States Department of Agriculture, Agricultural Research Service Fort Keogh Livestock and Range Research Laboratory at Miles City is a cooperative program of the United States Department of Agriculture and the state through the Montana Agricultural Experiment Station. The purpose of the laboratory is to improve efficiency of livestock production from rangeland resources in the Northern Great Plains. The research program emphasizes finding solutions to immediate and anticipated problems of farmers and ranchers in the region and throughout the nation. A combination of high technology and adaptive interdisciplinary approaches are used to study range development, improvement, and management; range-forage nutrition; and growth, reproduction, and genetics of beef cattle.

Budget as Approved by the Regular 1991 Legislative Session

The fiscal 1992 budget increases from fiscal 1990 due to increased operating expenses and equipment funding in fiscal 1992. Operating costs increase in fiscal 1992 to reflect normal operating levels. Funding is included to replace a pickup truck in fiscal 1992 and to purchase one horse each year of the 1993 biennium. The budget reflects a four percent personal services reduction for this program.

Funding

The Livestock and Range Research Station is funded from cattle sales revenue.

BUDGET REDUCTION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	.00	.00		.00	.00	.00		.00
Personal Services	0	117,419-	0	117,419-	0	214,819-	0	214,819-
Total Costs	\$0	\$117,419-	\$0	\$117,419-	\$0	\$214,819-	\$0	\$214,819-
Fund Sources								
General Fund	0	117,419-	0	117,419-	0	214,819-	0	214,819-
Total Funds	\$0	\$117,419-	\$0	\$117,419-	\$0	\$214,819-	\$0	\$214,819-

During the 1992 special session, the legislature imposed the reduction in the agency's general fund budget shown in the table above. Language in House Bill 2 allows the agency, with the approval of the Board of Regents, to determine the proportional share of the amount to be applied to each program. For a further discussion, see the "Special Session Action" narrative included within the Montana University System.

COOPERATIVE EXTENSION SERVICE

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	116.73	116.73		116.73	116.64	116.64		116.64
Personal Services	4,150,074	4,105,328	207,025	4,312,353	4,146,417	4,064,009	340,813	4,404,822
Operating Expenses	527,965	527,965	0	527,965	527,115	527,115	0	527,115
Equipment	87,312	87,312	0	87,312	83,812	83,812	0	83,812
Total Costs	\$4,765,351	\$4,720,605	\$207,025	\$4,927,630	\$4,757,344	\$4,674,936	\$340,813	\$5,015,749
Fund Sources								
General Fund	2,778,004	2,733,258	0	2,733,258	2,769,940	2,687,532	0	2,687,532
Current Unrestricted	1,987,347	1,987,347	207,025	2,194,372	1,987,404	1,987,404	340,813	2,328,217
Total Funds	\$4,765,351	\$4,720,605	\$207,025	\$4,927,630	\$4,757,344	\$4,674,936	\$340,813	\$5,015,749

Agency Description

The Montana Extension Service was established in 1914 as a result of the federal Smith-Lever Act. The Extension Service is dedicated to disseminating and encouraging practical use of research about agricultural production and marketing, human resource development, and home economics.

The Extension Service serves 53 of the 56 counties through 49 county extension offices. It has four area offices, with its main operations being housed in Bozeman on the Montana State University (MSU) campus. Background materials for the Extension Service's educational efforts are developed by: the Extension Service; the Agricultural Experiment Station and other MSU faculty; from research information available through faculty from other public and private universities and colleges; from information provided by researchers and other state and federal agency personnel; and from researchers in the private sector.

COOPERATIVE EXTENSION SERVICE

Special Session Action

The legislature imposed a \$44,746 general fund reduction in fiscal 1992 and a \$82,408 reduction in fiscal 1993. The Board of Regents was given authority to allocate this reduction among programs. For a further discussion, see the narrative accompanying the table in the "Special Session Action" section of the Montana University System.

Language

"[The budget reduction line item] reduces the cooperative extension service's total general fund appropriation. The cooperative extension service, with the approval of the approving authority as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly."

Budget as Approved by the Regular 1991 Legislative Session

The budget increases from fiscal 1990 to fiscal 1992 due primarily to increased personal services and equipment costs. The legislature provided a base increase of \$176,878 annually for arbitrated salary increases in the 1991 biennium which exceeded the legislative funding level. The legislature also approved an additional 0.96 FTE and \$57,500 general fund in fiscal 1992 and 0.87 FTE and \$49,500 general fund in fiscal 1993 to expand the forestry extension program. These personal services increases were offset \$55,791 in fiscal 1992 and \$55,638 in fiscal 1993 by a four percent personal services reduction applied to non-faculty personnel.

Operating costs are maintained at approximately the fiscal 1990 level, with some inflationary increases. Equipment is funded at \$87,312 in fiscal 1992 and \$83,812 in fiscal 1993, a significant increase from historical expenditure levels, which will allow the agency to address computer and educational equipment needs.

Funding

The Extension Service is funded from federal Smith Lever funds and from general fund. Both revenue sources are deposited into the current unrestricted fund. Federal funds are budgeted at approximately \$1,987,000 each year of the 1993 biennium which is the federal fiscal year 1991 grant award less the federal share of the personal services reduction. The primary source of pay plan funding is the general fund.

COOPERATIVE EXTENSION SERVICE

Other Legislation

HB 906 - Forestry Extension - The legislature increased fire hazard reduction agreement fees and master fire hazard reduction agreement fees for the purpose of funding forestry cooperative extension programs. These fees will be collected by the Department of State Lands and deposited to a current restricted account for use by the Montana University system to fund forestry services through the Montana Cooperative Extension Service. The bill further stipulates that the use of the funds in the current restricted account is contingent upon the university system funding the extension service's forestry and natural resource program at a biennial level of at least \$108,000 from sources other than the funds deposited into the current restricted account.

FORESTRY & CONSERVATION EXPERIMENT STATION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	16.09	16.09		16.09	16.09	16.09		16.09
Personal Services	569,108	558,040	27,199	585,239	569,108	532,572	42,602	575,174
Operating Expenses	129,030	129,030	0	129,030	129,832	129,832	0	129,832
Equipment	13,000	13,000	0	13,000	13,000	13,000	0	13,000
Total Costs	\$711,138	\$700,070	\$27,199	\$727,269	\$711,940	\$675,404	\$42,602	\$718,006
Fund Sources								
General Fund	711,138	700,070	0	700,070	711,940	675,404	0	675,404
Current Unrestricted	0	0	27,199	27,199	0	0	42,602	42,602
Total Funds	\$711,138	\$700,070	\$27,199	\$727,269	\$711,940	\$675,404	\$42,602	\$718,006

Agency Description

The Montana Forest and Conservation Experiment Station was established by the Montana legislature in 1937 as a non-profit organization devoted to the scientific investigation of natural resource problems. The station serves as the research unit of the University of Montana School of Forestry with the Dean of the School of Forestry functioning as the station director.

The Montana Forest and Conservation Experiment Station's purposes include the study of relationships between forests and other dimensions of the environment, the discovery of ways to improve the products of forest lands, and the completion and publication of reports about forestry research. Research is carried on at Lubrecht Experimental Forest and at other locations in Montana in cooperation with private, state, and federal agencies.

FORESTRY & CONSERVATION EXPERIMENT STATION

Special Session Action

The legislature imposed an \$11,068 general fund reduction in fiscal 1992 and a \$36,536 reduction in fiscal 1993. The Board of Regents was given authority to allocate this reduction among programs. For a further discussion, see the narrative accompanying the table in the "Special Session Action" section of the Montana University System.

Language

"[The budget reduction line item] reduces the forestry and conservation experiment station's total general fund appropriation. The forestry and conservation experiment station, with the approval of the approving authority as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly."

Budget as Approved by the Regular 1991 Legislative Session

The experiment station's budget increases from fiscal 1990 to 1992 due to increases in personal service and equipment costs. Personal services increase because: 1) the fiscal 1991 pay plan increase continues into the 1993 biennium; and 2) the legislature has included arbitrated salary increases exceeding the 1991 biennium legislative funding level in the personal services base for the 1993 biennium. This arbitration adjustment adds \$21,387 annually to personal services costs. Fiscal year 1990 operating expenses were approximately \$10,500 higher than appropriated in the 1989 session. Base operating expenditures are returned to the fiscal 1990 appropriated level. Inflationary adjustments of \$2,554 in fiscal 1992 and \$3,320 in fiscal 1993, and university recharges of \$26,863 are included each year of the 1993 biennium.

Equipment is funded at \$13,000 per year which is the agency's request.

BUREAU OF MINES AND GEOLOGY

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	26.82	26.82		26.82	26.82	26.82		26.82
Personal Services	958,180	938,126	49,320	987,446	958,180	938,008	80,696	1,018,704
Operating Expenses	348,223	348,223	0	348,223	349,115	349,115	0	349,115
Equipment	28,500	28,500	0	28,500	28,500	28,500	0	28,500
Total Costs	\$1,334,903	\$1,314,849	\$49,320	\$1,364,169	\$1,335,795	\$1,315,623	\$80,696	\$1,396,319
<u>Fund Sources</u>								
General Fund	1,288,493	1,268,439	0	1,268,439	1,289,384	1,269,212	0	1,269,212
Current Unrestricted	46,410	46,410	49,320	95,730	46,411	46,411	80,696	127,107
Total Funds	\$1,334,903	\$1,314,849	49,320	\$1,364,169	\$1,335,795	\$1,315,623	\$80,696	\$1,396,319

Agency Description

The Bureau of Mines and Geology is a public service and research agency at the Montana College of Mineral Science and Technology in Butte. The bureau is charged with promoting the effective use of mineral resources through investigation of their geology, production, treatment, and economics. It disseminates information through publications and replies to individual inquiries. The bureau's work includes field and laboratory study, collection of samples and information, interpretation of data, and compilation of statistics on all mineral resources--metallic and non-metallic minerals, fuels, and groundwater. Projects are undertaken in cooperation with the U.S. Geological Survey, the U.S. Bureau of Mines, and other agencies.

Special Session Action

The legislature imposed a \$20,054 general fund reduction in fiscal 1992 and a \$20,172 reduction in fiscal 1993. The Board of Regents was given authority to allocate this reduction among programs. For a further discussion, see the narrative accompanying the table in the "Special Session Action" section of the Montana University System.

Budget as Approved by the Regular 1991 Legislative Session

The legislature provided a base increase of \$12,833 annually for arbitrated salary increases in the 1991 biennium which exceeded the legislative funding level. However, the legislature reduced the personal services budget \$31,425 to reflect a four percent vacancy

BUREAU OF MINES AND GEOLOGY

savings rate for non-faculty. Operating costs are included at approximately the fiscal 1990 level. Equipment expenditures are budgeted at \$28,500 annually which reflects the agency's request.

Funding

The Bureau of Mines is funded from revenue derived from the sale of maps and publications and from the state general fund. Sales revenue is included at approximately \$46,410 annually in the 1993 biennium. For the past several years, the bureau has not met its \$53,000 sales revenue target set during the legislative budget hearings. The amount budgeted in the 1993 biennium represents the average of the actual revenue collections in fiscal years 1988, 1989, and 1990 adjusted for inflation and a portion of the 4 percent personal services reduction in the 1993 biennium. General fund is the source of pay plan funding.

FIRE SERVICES TRAINING SCHOOL

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	5.00	5.00		5.00	5.00	5.00		5.00
Personal Services	175,657	171,839	15,897	187,736	176,368	169,926	25,562	195,488
Operating Expenses	44,922	44,922	0	44,922	42,696	42,696	0	42,696
Equipment	18,225	18,225	0	18,225	0	0	0	0
Total Costs	\$238,804	\$234,986	\$15,897	\$250,883	\$219,064	\$212,622	\$25,562	\$238,184
Fund Sources								
General Fund	238,804	234,986	0	234,986	219,064	212,622	0	212,622
Current Unrestricted	0	0	15,897	15,897	0	0	25,562	25,562
Total Funds	\$238,804	\$234,986	\$15,897	\$250,883	\$219,064	\$212,622	\$25,562	\$238,184

Agency Description

As authorized in Section 20-31-102, MCA, the Fire Services Training School (FSTS) exists to organize, supervise, and coordinate training and education for fire service personnel in the state in accordance with local needs and the standards established by the Board of Regents. The board provides general supervision of the school, which is located in Great Falls at the vocational-technical center. The Fire Services Training School administers and maintains a resource center for use by localities; provides regional, local, and state-wide training programs for fire services personnel; develops courses and training materials; maintains a network of unsalaried field instructors and offers a fire service professional certification program. The school is attached to the Cooperative Extension Service for administrative purposes.

Special Session Action

The legislature imposed a \$3,818 reduction in the agency's total general fund budget for fiscal 1992 and a \$6,442 reduction for fiscal 1993. For a further discussion, see the narrative accompanying the "Special Session Action" section of the Montana University system.

FIRE SERVICES TRAINING SCHOOL

Language

"The Fire Services Training School must be provided office, classroom and storage space in the Great Falls vocational-technical center at no charge."

The following language was added in the January, 1992 special session: "Item 2 reduces the fire services training school's total general fund appropriation. The fire services training school, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly."

Budget as Approved by the Regular 1991 Legislative Session

In fiscal 1992 the Fire Services Training School began using the College and University Business Administration (CUBA) fund structure because the school is administratively attached to the Cooperative Extension Service. The Fire Services Training School currently collects fees from volunteer fire departments for using library and other resource materials had deposited them into a proprietary account. The CUBA fund structure requires that the fees be deposited to the CUBA-equivalent of a proprietary fund—the current designated fund. This fund type is appropriated by language rather than dollar amount in the general appropriations act. Therefore, fee collections and expenditures are not shown above.

No vacancy savings were applied in the 1993 biennium to this budget. Personal services increase due to the continuation of the fiscal year 1991 pay plan in the 1993 biennium and a one grade increase due to reclassification of a training specialist position.

Operating expenses decrease as a result of using the CUBA fund structure, as noted above. This decrease is offset by the following increases: 1) approximately \$2,000 each year in inflationary increases primarily in communication; 2) audit costs increases by \$2,272; and 3) \$7,554 was added for administrative fees paid to Montana State University for such services as accounting and payroll.

Equipment includes \$300 for a computer modem and \$17,925 in fiscal 1992 to replace a 1984 vehicle with over 110,000 miles. No equipment is budgeted in fiscal 1993.

Funding

The major portion of this program is funded from the general fund.

MONTANA COUNCIL ON VOCATIONAL EDUCATION

Budget Item	HB 2 Regular Fiscal 1992	HB 2 Special Fiscal 1992	Pay Plan Fiscal 1992	Revised Total Fiscal 1992	HB 2 Regular Fiscal 1993	HB 2 Special Fiscal 1993	Pay Plan Fiscal 1993	Revised Total Fiscal 1993
FTE	2.50	2.50		2.50	2.50	2.50		2.50
Personal Services	82,192	82,192	4,695	86,887	82,204	82,204	7,456	89,660
Operating Expenses	86,990	86,990	0	86,990	82,946	82,946	0	82,946
Equipment	500	500	0	500	500	500	0	500
Total Costs	\$169,682	\$169,682	\$4,695	\$174,377	\$165,650	\$165,650	\$7,456	\$173,106
Fund Sources								
Federal Revenue Fund	169,682	169,682	4,695	174,377	165,650	165,650	7,456	173,106
Total Funds	\$169,682	\$169,682	\$4,695	\$174,377	\$165,650	\$165,650	\$7,456	\$173,106

Agency Description

The Montana State Council on Vocational Education was created in 1985 to comply with the Carl D. Perkins Vocational Education Act of 1984 (P.L. 98-524). The purpose of the thirteen-member council is to analyze and evaluate the vocational education program delivery system assisted under the Perkins Act and under the Job Training Partnership Act, and to report to and advise the Governor, State Board of Regents of Higher Education, Department of Education, business community, and general public on how well the state's needs for vocational education are being met.

Special Session Action

The legislature made no changes in this agency's budget during the 1992 special session.

MONTANA COUNCIL ON VOCATIONAL EDUCATION

Budget as Approved by the Regular 1991 Legislative Session

No vacancy savings were applied to the personal services budget for the 1993 biennium. The personal services budget increases 12.3 percent due to vacancy savings incurred in fiscal 1990 and not budgeted in the 1993 biennium, the continuation of the fiscal 1991 pay plan increase, and increased per diem for the council members.

Operating expenses increase from fiscal 1990 due to: 1) an additional \$30,000 each year from the budget modification; 2) audit cost increases of \$370; and 3) inflationary adjustments of \$1,000.

Equipment is budgeted at \$500 per year to purchase office equipment.

Summary of Budget Modifications

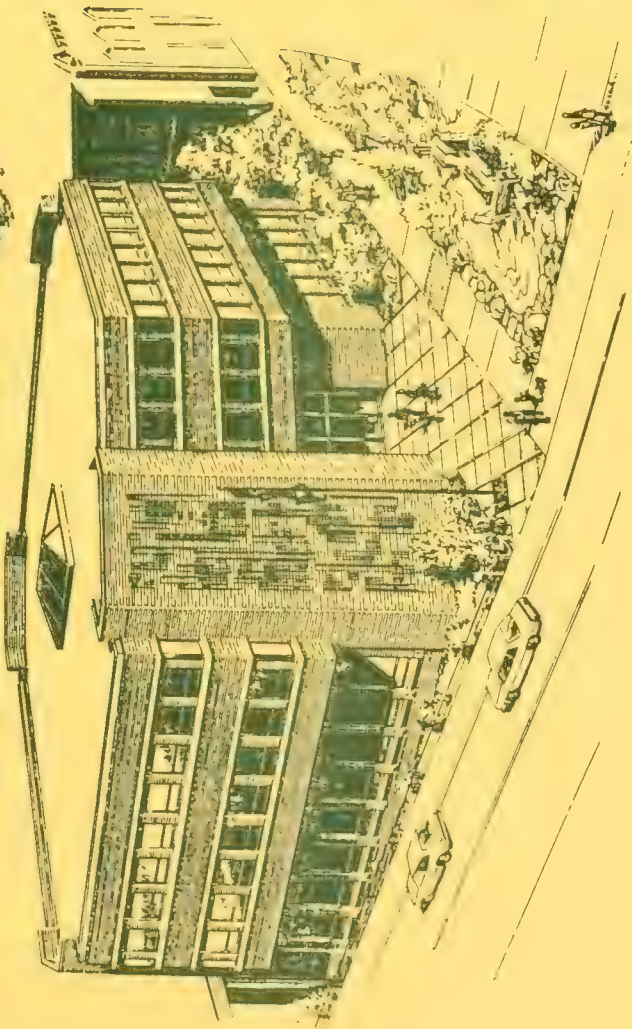
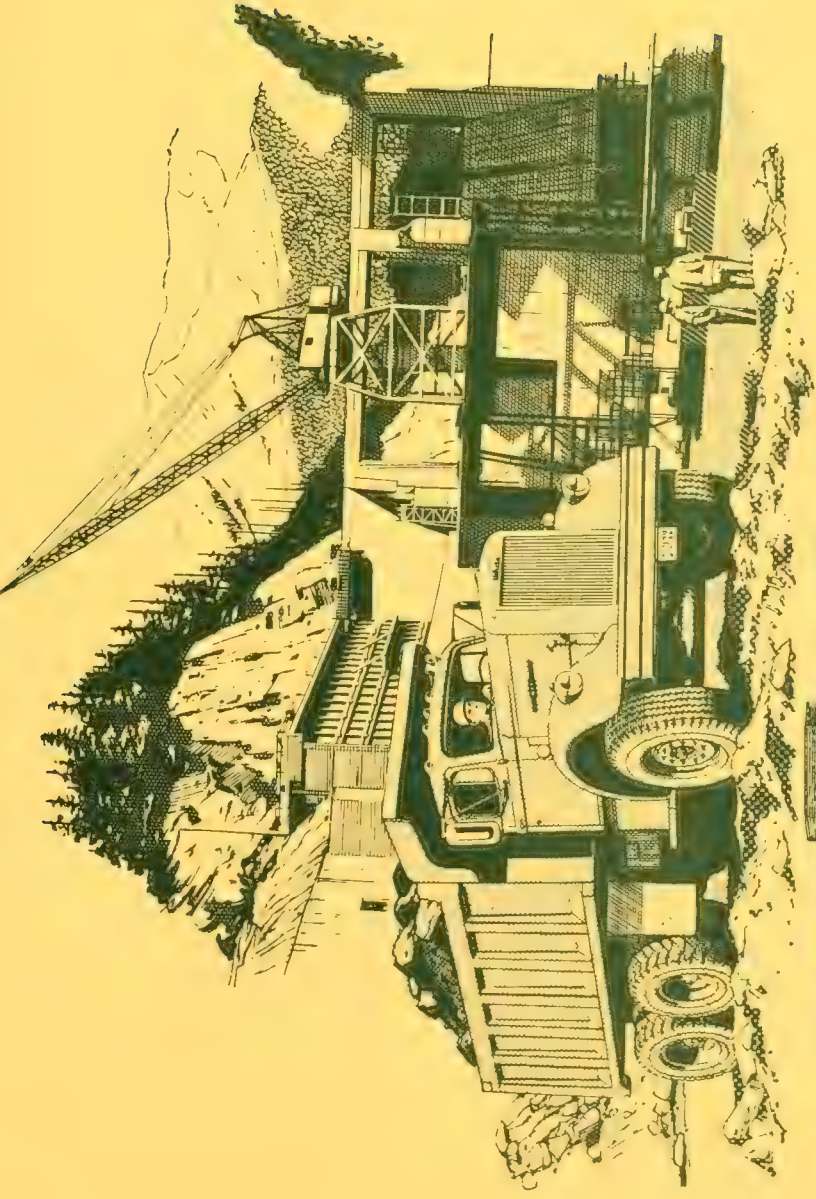
		Pgm	FTE	FY 1992-	General Fund	Other Funds	FTE	General Fund	Other Funds
1	Increased Federal Funding	01				\$30,000			\$30,000
	Total					\$30,000			\$30,000

1) Increased Federal Funding - Funding for the Montana Council on Vocational Education is provided through the Carl Perkins Vocational Education Act, which also authorizes the council and sets its duties. Recent re-authorization of the act raised the level of funding for Montana's vocational-education council from \$120,000 to \$150,000 each year. These funds will be used to perform additional responsibilities assigned by the re-authorization, including analysis and review of corrections education programs, comment on the adequacy or inadequacy of state action in implementing the state vocational-education plan, and review and comment on the state plan.

Funding

Funding for the council is entirely federal Carl Perkins vocational-education funds. The funding level of \$169,682 in fiscal 1992 and \$165,650 in fiscal 1992 are higher than the amount of the federal grant of \$150,000. This is due to carryover of funds from prior years in which the full authorized grant was not expended. This program, which is mandated under federal vocational-education laws, does not reduce available funding for vocational-education in Montana.

LONG RANGE PLANNING



LONG RANGE PLANNING

Largest Capital Projects Budget

The 52nd legislature in actions during the regular session and special session approved \$141.46 million of capital projects for the 1993 biennium. This is by far the largest capital project program approved by any session of the Montana legislature. The 1993 biennium program exceeds the program approved for the 1985 biennium (the next largest biennial construction program) by \$75.57 million. Table 1 shows the total capital projects appropriated for the 1983 through the 1993 biennia.

Table 1
Capital Projects Appropriated by Legislature

<u>Biennium</u>	<u>Total Projects</u>	<u>Capital Projects Funds</u>	<u>G.O. Bonds</u>
1983	\$60,294,450	\$11,700,007	\$35,833,505
1985	65,897,869	10,870,292	39,334,695
1987	38,270,308	10,517,666	8,550,000
1989	17,686,787	6,246,547	0
1991	32,864,127	7,514,608	3,822,800
1993	141,463,185	8,382,298	61,260,830

Special Session Action

In the January 1992 special session, the legislature reduced general fund appropriations in the Long Range Building program by \$1.23 million and increased Capitol Land grant funds deposited in the general fund by \$103,014. The reduced appropriations include: 1) accepting the Executive Budget's proposed general fund appropriation reductions of \$240,000; 2) reducing the MSU Engineering Science Building general fund by \$133,000 and increasing the other fund authority by the same amount; 3) applying an 8 percent (\$584,500) reduction to projects funded with capital projects funds and using the savings to reduce the general fund appropriation for the NMC gymnasium repairs; 4) reducing the Capitol Parking Lot repairs by \$103,014

LONG RANGE PLANNING

funded by the Capitol Land Grant funds; and 5) using \$350,000 of excess appropriation authority from prior years construction projects to replace general fund in the NMC gymnasium repairs. The specific reductions are explained below.

1, 4, 5, 6, 9, 10, 11) Various Projects - In House Bill 5, these projects were funded with capital projects funds. In the special session, \$584,500 of these projects were either reduced or eliminated, with the savings used to replace a like amount of general fund for the Northern Montana College gymnasium project.

2) Building-Northern Agricultural Research - House Bill 2 increased the other funds appropriation for this project by \$150,000. The source of the funding will be donated funds and/or other higher education funds.

3) Capitol Parking Lot - The 1991 legislature approved \$123,014 funded from Capital Land Grant funds for repairs to parking lots in the capitol complex and also for the purchase of land in the capitol area. In the special session, this project was reduced by \$103,014, leaving \$20,000 for property acquisition. Since the unencumbered cash balance in this fund is transferred to the general fund for debt service payments, the \$103,014 reduction resulted in a corresponding increase in revenue to the general fund.

7) MSU Engineering Building - In the 1991 regular session, this project received a \$500,000 general fund appropriation to help fund the match required from the university for construction costs. In the special session, the legislature reduced this general fund appropriation by \$133,000 and increased the appropriation for donated funds by a like amount.

8) NMC Gym Repairs - House Bill 5, enacted during the 1991 regular session, provided \$3 million (\$1.3 million general fund and \$1.7 million other funds) for this project. In the special session, the legislature reduced the project's general fund appropriation by \$1.0 million and increased the capital project fund appropriation by \$934,500. The source of the capital projects fund was the \$584,500 reduction in the various projects described above and \$350,000 of projected appropriation reversions from projects which were approved in previous years.

12) U-System Deferred Maintenance - In the special session, the legislature reduced the \$600,000 general fund appropriation for this purpose by \$82,500.

House Bill 5 and House Bill 2 (Special Session)

House Bill 5 appropriated \$133.50 million for capital projects in the 1993 biennium, including \$61.26 million in general obligation bonds for five construction projects (two for the Department of Corrections and Human Services, two for the university system, and one for the Department of Military Affairs). In the January 1992 special session, the legislature reduced the capital projects by a net of \$702,514 in House Bill 2. Table 2 lists the projects as adjusted in House Bill 2, showing the cost of each project by agency.

LONG RANGE PLANNING

Table 2
Capital Construction Program
1993 Biennium

Agency	Capital Projects Fund	General Fund	State Special Revenue	Federal Special Revenue	Other Revenue	LRBF Bond Proceeds	Total
ADMINISTRATION							
Hazardous Materials Abatement	\$594,625				\$150,000		\$ 744,625
Construction Litigation	345,000						345,000
Alternate Water Supply					50,000		50,000
Property Acquisition					20,000		20,000
Statewide Building Retrofit			\$500,000	\$1,000,000	500,000		2,000,000
Total Department of Administration	\$939,625	\$0	\$500,000	\$1,000,000	\$823,014	\$0	\$ 3,159,625
COMMERCE							
Pavement - West Yellowstone Airport				\$ 465,957	\$ 51,773		\$ 517,730
FISH, WILDLIFE, & PARKS							
Remove Underground Storage Tanks			\$ 150,000				\$ 150,000
Headquarters Maint. & Improvements			85,000				85,000
Property Development			360,000				360,000
State Parks Development & Improve.			3,798,500	1,124,500			4,923,000
Fish Hatchery Maintenance			37,500	112,500			150,000
Fishing Access Site Improvements			286,000	858,000			1,144,000
Motorboat Access Site Facilities			67,000	201,000			268,000
River Restoration			219,000				219,000
Fishing Access Site Acquisition			881,000				881,000
Wildlife Habitat Maintenance			304,000				304,000
Wildlife Habitat Acquisition			4,923,356				4,923,356
Waterfowl Habitat Enhancement			399,500				399,500
Bighorn Sheep Habitat Acquisition			48,500				48,500
Total Dept. of Fish, Wildlife, & Parks	\$ 0	\$0	\$11,559,356	\$2,296,000	\$0	\$0	\$13,855,356

LONG RANGE PLANNING

Agency	Capital Projects Fund	General Fund	State Special Revenue	Federal Special Revenue	Other Revenue	LRBF Bond Proceeds	Total
STATE LANDS							
Maint. & Improve. Projects Construct Greenhouses	\$118,280		191,900	\$ 100,000			\$ 218,280 191,900
Total Department of State Lands	\$118,280	\$0	\$ 191,900	\$ 100,000	\$0	\$0	\$ 410,180
LABOR							
Renovate Job Ser. Bldg. G.F. Major Maintenance				\$310,000 209,450			\$ 310,000 209,450
Total Department of Labor	\$0	\$0	\$0	\$519,450	\$0	\$0	\$ 519,450
TRANSPORTATION							
Maintenance Projects - Statewide Construct & Expand Maint. and Equipment Buildings			\$ 693,500 1,167,600	\$115,925			\$ 693,500 1,283,525
Total Department of Transportation	\$0	\$0	\$1,861,100	\$115,925	\$0	\$0	\$ 1,977,025
FAMILY SERVICES							
Security Fence - Pine Hills Repair Roofs - MVS and PHS	\$ 27,000 127,600						\$ 27,000 127,600
Total Department of Family Services	\$ 154,600	\$0	\$0	\$0	\$0	\$0	\$ 154,600
SCHOOL FOR DEAF AND BLIND							
Academic Bldg Roof & Repairs	\$ 339,000						\$ 339,000
MILITARY AFFAIRS							
Kitchens Upgrade - Statewide Rifle Range Rehab. - Statewide Armory Additions Land for Armory - Billings Expand Vehicle Compounds	\$ 5,000 10,000 1,000 150,000 5,000			\$ 555,000 16,155,000 200,000 275,000			\$ 5,000 565,000 16,156,000 350,000 280,000

LONG RANGE PLANNING

Agency	Capital Projects Fund	General Fund	State Special Revenue	Federal Special Revenue	Other Revenue	LRBF Bond Proceeds	Total
Maint. Existing Facilities Libby Armory				300,000 827,000		\$400,000	300,000 1,227,000
Total Department of Military Affairs	\$ 171,000	\$0	\$0	\$18,312,000	\$0	\$400,000	\$18,883,000
CORRECTIONS AND HUMAN SERVICES							
Water & Steam Lines MDC	\$ 116,708						\$ 116,708
Moisture Protection EHS	98,450						98,450
Infrastructure Study - Mt State Hosp	112,375						112,375
Bldg. Improvements CFA	105,015						105,015
Multi purpose Bldg. Floor MSH	26,800						26,800
Galen Repair Projects	181,000						181,000
Roofs Bd. of Pardons & Warehouses	30,000						30,000
Seal Buildings - Prison	25,000						25,000
Expand Industries Facilities				\$14,000	\$321,976	\$19,360,745	335,976
Major Prison Expansion	877,500					10,075,600	20,238,245
Women's Correctional Facility							10,075,600
Total Department of Corrections and Human Services	\$1,572,848	\$0	\$0	\$14,000	\$321,976	\$29,436,345	\$31,345,169
UNIVERSITY SYSTEM							
Replace Roofs	\$1,154,550				\$ 350,000		\$ 1,504,550
Improve Underground Utilities	296,000				200,000		496,000
Improve Handicap Access	335,000						335,000
Improve Sidewalks & Fire Access	86,000						86,000
Deferred Maintenance		\$ 517,500					517,500
MONTANA STATE UNIVERSITY							
Centennial Mall	1,165,290	367,000			1,600,000		1,600,000
Engineering/Physical Science Bldg.					2,301,200	\$18,401,510	22,235,000
UNIVERSITY OF MONTANA							
Install Fire Alarm	70,000				2,584,600		70,000
Various Improvements				\$12,000,000			2,584,600
Life Science Bldg					1,858,320	13,022,975	12,000,000
Business Administration Bldg.	604,705						15,486,000

LONG RANGE PLANNING

<u>Agency</u>	<u>Capital Projects Fund</u>	<u>General Fund</u>	<u>State Special Revenue</u>	<u>Federal Special Revenue</u>	<u>Other Revenue</u>	<u>LRBF Bond Proceeds</u>	<u>Total</u>
EASTERN MONTANA COLLEGE							
Primary Electrical Vault	31,000	600,000			14,000		45,000
Computer Equipment							600,000
MT. COLLEGE OF MINERAL SCIENCE							
Retrofit Windows in Museum	142,000						142,000
NORTHERN MONTANA COLLEGE							
Gym Repairs	934,500	283,000			1,700,000		2,917,500
AGRICULTURAL EXPERIMENT STATION							
Multi-Pur. Bldg. N. Ag Resrch. Cntr.	150,000				150,000		300,000
WESTERN MONTANA COLLEGE							
Repair Heating System	57,900				600,000		57,900
Remodel Student Union							600,000
VOCATIONAL-TECHNICAL CENTER							
Replace Carpet - Great Falls	60,000						60,000
Total University System	\$5,086,945	\$1,767,500	\$0	\$12,000,000	\$11,358,120	\$31,424,485	\$61,637,050
Total Appropriated	\$8,382,298	\$1,767,500	\$14,112,356	\$34,823,332	\$12,451,869	\$61,260,830	\$132,798,185

As Table 2 shows, the \$3.0 million general fund appropriated to the university system in House Bill 5 during the 1991 regular session was reduced to \$1.77 million during the January 1992 special session by budget reductions and funding switches.

LONG RANGE PLANNING

Major Projects

Fish, Wildlife, and Parks

There are two major projects included in the \$13.86 million appropriation for the department's capital projects: 1) \$4.92 million for the development and improvement of state parks; and 2) \$4.92 million for the acquisition of wildlife habitat from funds specifically earmarked for that purpose.

Military Affairs

In the 1991 session, the legislature appropriated \$16.31 million for additions and renovation of 19 state-owned armories throughout the state. The funding was almost entirely from federal sources, with \$150,000 coming from the capital projects fund. In the January 1992 special session, the legislature reduced the capital projects fund appropriation for this project by \$149,000. In House Bill 5, the legislature also appropriated \$1.23 million for the construction of the Libby armory. Funding for this project includes \$400,000 from general obligation bond proceeds and \$827,000 in anticipated federal funds.

Corrections and Human Services

Two prison construction projects were approved for the Department of Corrections and Human Services. For the \$20.24 million expansion of the men's prison at Deer Lodge, design costs (\$877,500) are funded from the capital projects fund and the remainder funded by general obligation bond proceeds of \$19.36 million. The estimated cost of this project was based on use of inmate labor in some of the construction work. House Bill 339 and House Bill 1005, which would have authorized the use of inmate labor for projects exceeding \$25,000, were not enacted by the legislature. Without the use of inmate labor, the additional construction cost are estimated to be \$1.67 million. Since no additional appropriation for these increased cost was added, some portion of the project may have to be scaled back to stay within the appropriation.

The second project was the women's correctional center for \$10.08 million. Prior to the 1991 session, the department requested bids from communities throughout Montana for proposals to build a 200-bed women's correctional center, which would be leased by the state. House Bill 528 enacted by the legislature placed in statute the criteria for the site selection and provided that the selection would be made by a committee composed of legislators, the public, and executive branch officials. During the 1991 regular session, the facility was reduced from 200 beds to 120 beds and entirely financed by general obligation bonds authorized in House Bill 5. Because no separate appropriation was made for the initial cost of \$562,400 to design and plan the facility, the Department of Administration plans to pay this cost with a general fund loan which will be repaid when the bonds are sold.

LONG RANGE PLANNING

University System

Three major projects for the construction of new buildings in the university system were approved:

- 1) Engineering/Physical Science Building - Montana State University This project was included in the Executive Budget with a 15 percent match to be provided by the university. The legislature in House Bill 5 reduced the match to 12 percent and then provided \$500,000 of general fund for a portion of the match. This general fund appropriation was reduced to \$367,000 in the January 1992 special session with an offsetting increase of \$133,000 to be funded with university donated funds. This project is funded by: 1) \$1.17 million of capital projects funds; 2) \$367,000 of general fund; 3) \$2.30 million of match funds from the university; and 4) \$18.40 million of bond proceeds from general obligation bonds.
- 2) Business Administration Building - University of Montana This building, which is designed to serve 1,181 students and 78 faculty, required a 15 percent match by the university in the Executive Budget. The legislature reduced this match to 12 percent. Funding for this project is \$604,705 of capital projects funds for the design work, \$1.86 million from the university as match, and \$13.02 million from general obligation bond proceeds.
- 3) Life Science Building - University of Montana This \$12 million project will be funded from federal funds which require no state match.

The Executive Budget recommended renovation of a vacant residence hall at Eastern Montana College at a cost of \$1.23 million funded by general obligation bonds and 15 percent matching funds from the college. The legislature eliminated this project to finance the match reduction for the other two university building projects.

The Executive Budget also included a new gymnasium for \$8 million at Northern Montana College to be financed by funds raised by the college. In House Bill 5, the legislature approved a scaled-down project funded by \$1.3 million of general fund and \$1.7 million of funds from other sources raised by the college. In the January 1992 special session, the legislature reduced the general fund appropriation by \$1,017,000 and replaced it with a \$934,500 appropriation from the capital projects fund, resulting in a net reduction of \$82,500 for the project. This project is intended to make all necessary life safety repairs to the building, which includes replacement of roofs and structural repairs to the swimming pool. In addition, other improvements, such as locker room repairs, will be made.

Contingency Language in House Bill 5

House Bill 5 contains several sections with contingency language. Following are the most significant:

Section 6 - Subpart (6) of this section allows \$490,000 of federal funds and \$163,333 of state special funds to be transferred between certain projects for the Department of Fish, Wildlife, and Parks if House Bill 386 and Senate Bill 415 are not passed and approved. Since House Bill 386 was vetoed by the Governor, this transfer can be made.

LONG RANGE PLANNING

Section 14 - Subpart (3) of this section reappropriates funds for the Lake Elmo project (\$150,000) which requires a dollar-for-dollar match with local funds. However, the funds for this specific project are reserved only through June 30, 1991. If matching funds were not deposited by that date, the department could use the funds to match local funds raised for any other state park improvements. Since matching funds of \$100,000 were raised by June 30, the department will expend \$100,000 of these funds for the Lake Elmo project. The remaining \$50,000 has been committed to other communities who have applied and have raised the matching funds.

Section 15 - This section will allow the Department of Administration to use inter-entity loans for planning and design costs prior to receipt of bond proceeds. The department anticipates using these loans for planning and design of the Women's Correctional Facility and for the Montana Developmental Center construction project authorized in House Bill 963.

Section 16 - Subpart (2) of this section requires that the universities have the matching funds committed for the two building projects funded by bonds before any bond proceeds can be expended for construction.

Section 21 - Language was added to the bill making projects in House Bill 5 a higher priority than projects in other bills. So House Bill 20, which appropriates capital project funds for Montana's contribution for the national memorial honoring women veterans and servicemen at Arlington National Cemetery, will be funded only if sufficient money is available in the account to fund all House Bill 5 projects.

Capital Projects Fund

The capital projects fund is referred to as the state's "Cash Building Program". The revenues in this fund include the return of \$1 million of the funds appropriated for the Mansfield Center in the 1983 session. Since these funds were appropriated from the capital projects fund, when they were returned in July, 1991, they were deposited into this account.

The projected revenues include the additional two-cent increase in cigarette tax enacted during the 1989 session for the construction of a new veterans' home. Since the funds for this project have been set aside, the additional tax now goes into the capital projects fund to be used for state construction projects. Table 3 shows the projected fund balance for the 1993 biennium.

LONG RANGE PLANNING

Table 3
Capital Projects Fund
Projected Fund Balance, 1993 Biennium

Estimated Beginning Fund Balance	\$1,614,127
Revenues	
Cigarette Tax	\$6,841,123
Interest	400,000
Supervisory Fees & Oth.	142,000
Mansfield Center Funds	<u>1,000,000</u>
Total Revenues	<u>\$8,383,123</u>
Funds Available	\$9,997,250
Expenditures	
HB 2 Architecture & Engineering Operations	\$1,541,484
HB 5 Capital Projects	8,382,298
HB 20 Women's Memorial at Arlington	<u>20,000</u>
Total Expenditures	<u>\$9,643,782</u>
Estimated Ending Fund Balance	\$53,468

Other Legislation Impacting Capital Construction

House Bill 20 - This bill appropriates \$20,000 from the capital projects fund to the Department of Military Affairs as Montana's contribution toward the construction of the National Women in Military Service for America Memorial at Arlington National Cemetery.

House Bills 234 and 957 - The 1989 legislature passed House Bills 202 and 547, which increased the cigarette tax by two cents and authorized the expenditure of the additional revenue for planning and construction of a 100-bed veterans' home to be located in eastern Montana. House Bill 234 reappropriates \$1,991,987 from the capital projects fund and \$3,669,237 of federal funds for the construction of this veterans' home. House Bill 957 names the new facility the Eastern Montana Veterans' Home.

LONG RANGE PLANNING

House Bill 500 - This bill establishes a Capitol Restoration Commission, which will seek private funds for on-going historical restoration and preservation of the Capitol Building.

House Bill 528 - House Bill 528 defines the process and criteria for the site selection of the Montana's Women's Correctional Facility.

House Bill 963 - This bill provides an appropriation to the Department of Administration of \$8,665,000 for construction projects at the Montana Developmental Center. The projects include a day activities building, food service building, six new cottages, and a vehicle storage building to be constructed on the north side of the river. The existing buildings on the north side will be either renovated or demolished. Since there was no specific appropriation for planning and design costs for this facility, the department may use an inter-entity loan to provide cash for these costs and repay the loan when funding becomes available. There are no plans for use of the campus and buildings on the south side of the river.

These projects will be funded by a loan from the Health Facilities Authority (HFA), which will issue bonds. The loan from HFA's bond proceeds, which is defined as a limited obligation, may be secured by a mortgage on the land and buildings at the center. The bill requires that all revenues collected for the facility (medicaid and third party reimbursement) be deposited into a special revenue account to be used for the loan repayment. Excess revenues in the account are to be transferred to the general fund. Currently, all revenue from these sources is deposited in the general fund.

The Department of Corrections and Human Services estimates that increased federal funding due to depreciation costs of the new construction coupled with decreased operating costs will provide a savings to the general fund when the project is completed and the new buildings are in service.

House Bill 1008 - House Bill 1008 provides approximately \$886,000 of funding during the 1993 biennium for the parks maintenance projects appropriated in House Bill 5. This bill splits the existing Parks and Arts trust fund into separate trusts and diverts the coal tax revenue that would have been deposited in the Parks trust during the 1993 biennium to fund these park projects. In the 1995 biennium, this revenue will again be deposited in the trust.

RESOURCE INDEMNITY TRUST INTEREST ACCOUNTS

SPECIAL SESSION ACTION

House Bill 12 passed during the January 1992 special session deleted five grants funded from Water Development, Renewable Resources, and Reclamation Development funds. These grants had been approved in prior sessions and reauthorized in the 1991 session in House Bills 6 and 8.

Carbon County/Roberts water System	\$47,500
Cascade Water System	50,000
Cascade Landfill and Park	11,711
Catawact Creek Reclamation	21,565
Grasshopper Creek Restoration	<u>2,274</u>
Total	\$133,050

The resulting funds were then appropriated in House Bill 2 for the operating budget in Department of Natural Resources and Conservation and the general fund appropriation was reduced by a like amount.

REGULAR 1991 LEGISLATIVE SESSION

House Bill 6

This bill appropriates the Water Development and Renewable Resource Development grants and loans to the Department of Natural Resources and Conservation for the 1993 biennium. Table 1 shows the grants for both programs in priority order, the loans authorized for both programs, and the Water Development grants and loans reauthorized.

RESOURCE INDEMNITY TRUST INTEREST ACCOUNTS

Table 1
Water Development and Renewable Resource Grants and Loans
1993 Biennium

Grant Recipient	Project	Water Dev.	Renewable	Loans
		Grants	Res.Grants	
WATER DEVELOPMENT				
Chinook Irrigation District	Milk River Water Supply	\$100,000		
Lower Musselshell Conservation Dist.	River Management Tools	72,539		
Glasgow Irrigation District	Improving Water Use Efficiency	100,000		
Greenfields Irrigation District	Gravity Sprinkler Planning	100,000		
Montana State Library	Drought Monitoring System	58,364		
Jocko, Mission, & Flathead Irrigation Dist.	Flathead Irrigation Information System	92,000		
Lewis and Clark County Irrigation Dist.	Nilan Water Conservation	100,000		
Private Applicant - Beaverhead County	Ruby Creek Dam Feasibility Study	14,708		
Private Applicant - Town of Sockett	Wastewater Collection and Treatment	50,000		\$150,000
Fort Shaw Irrigation District	Rehabilitation of Headworks & "A" Diversion	50,000		50,000
Town of Dutton	Water Storage Reservoir	91,319		
Phillips Conservation District	Moisture Monitoring Project	53,382		
Private Applicant - Sun River Community	Sun River Water System	7,500		
Town of Chinook	Milk River Weir Replacements			200,000
Town of Belt	Sewage System Improvements			100,000
Town of Glasgow	Water and Wastewater			80,950
Missoula Health Department	Linda Vista Sewer Interceptor			100,000
Town of Fairfield	Waterway			14,169
RENEWABLE RESOURCES				
Yellowstone County Conservation District	Streambank Reinforcement		\$100,000	
Jefferson Valley Conservation District	Cereal-Legume Energy Efficient Crop Rotation		48,677	
Town of Neilhart	Water System Improvements		50,000	150,000
Town of Ekalaka	Water Supply and Storage		49,975	100,000

RESOURCE INDEMNITY TRUST INTEREST ACCOUNTS

<u>Grant Recipient</u>	<u>Project</u>	<u>Water Dev. Grants</u>	<u>Renewable Res.Grants</u>	<u>Loans</u>
Montana State University	Public Education in Water Management		100,000	
Stillwater Conservation District	Evaluation of Plastic Lining and Fabrication		56,848	
Broadwater Conservation District	Irrigation Water Management Demonstration		100,000	
Dept. of Natural Resources and Conservation	Beaverhead County Ground Water Study		100,000	
City of Polson	Wellhead Protection Program		76,055	
Town of Three Forks	Water System Improvements		100,000	
Fort Shaw Irrigation Project	Rehabilitation and Betterment Study		50,000	
Government of Butte-Silver Bow	Blacktail Creek Restoration		100,000	
Liberty County Conservation District	Sweetgrass Hills Ground Water Study		100,000	
Missoula County Conservation District	Irrigation Diversion Alternatives		85,250	
Fallon County	Baker Lake Erosion Control and Rec. Path		15,361	
Darby School District No. 8	Park Project		25,300	
Meagher County Conservation District	South Side Canal Lining Project		37,500	62,500
Dept. of Natural Resources and Conservation	Battle Creek Storage Unit		82,000	
Total Current Projects		\$889,812	\$1,276,966	\$1,007,619
REAUTHORIZED WATER DEVELOPMENT GRANTS AND LOANS				
Sun Prairie Village Water & Sewer Dist.	Water System Improvements			\$200,000
Carbon County/City of Roberts	Water System Improvements			142,500
City of Shelby	Water System Rehabilitation	\$25,000		75,000
Sage Creek Water District	Water District Expansion			158,600
Town of Cascade	Water Distribution and Supply	50,000		150,000
City of Belgrade	Meter Installation & Water Main Replacement	50,000		150,000
Town of Hysham	Water System Improvements	50,000		150,000
East Glacier Water & Sewer Dist.	Middle Creek Diversion	40,000		76,380
Eastern Sanders Conservation District*	Little Bitterroot Recharge Enhancement	86,300		
Total Reauthorizations		\$301,300		\$1,102,480

* Reauthorization removes the requirement for matching federal funds.

RESOURCE INDEMNITY TRUST INTEREST ACCOUNTS

The grants for both programs are in priority order. If revenues are insufficient to fund all grants, the grants of lower priority will not be awarded. Language in the bill allows projects in the Renewable Resource Development program that cannot be funded because of insufficient revenues to be funded from Water Development funds if there are excess funds available and if they meet the Water Development program ranking criteria.

Loans of up to \$200,000 come from Water Development bond proceeds. Loans for greater than \$200,000 come from the Water Development coal severance tax bonds and are authorized in House Bill 7. House Bill 6 provides that applicants that did not receive grants may apply for a loan. The interest rate for the loan must be at the rate paid for the bonds issued.

House Bill 6 also contains an appropriation to the Department of Natural Resources and Conservation of up to \$125,000 from the Water Development state special revenue account to be used for emergency projects.

The bill contains language expressing the intent of the legislature that a minimum of \$1 million be available for the Water Development Grants program and a minimum of \$1 million be available for the Renewable Resource Development Grants program for the 1993 legislative session. Diversion of the RIT interest funds to other programs in past sessions has decreased the funds available for these grant programs.

RESOURCE INDEMNITY TRUST INTEREST ACCOUNTS

House Bill 8

Table 2 lists the grants for Reclamation and Development in priority order.

Table 2
Reclamation and Development Grants
1993 Biennium

Grant Recipient	Projects	Reclamation & Development
Government of Butte-Silver Bow	Water, Air, Soils Testing and Evaluation Center	\$ 296,113
Chinook Irrigation District	Milk River Water Supply Project	300,000
Judith Basin Conservation District	Community-Led Rural Development in Montana	170,000
Dept. of Health and Environmental Sciences	Arro Refinery Cleanup	300,000
Montana Board of Oil and Gas Conservation	Abandoned Well Plugging Project "A"	300,000
Montana Board of Oil and Gas Conservation	Abandoned Well Plugging Project "B"	295,000
Montana Salinity Control Association	Soil and Water Nonpoint Source Pollution Control	137,500
Montana State University	Effect of Sodium, Chlorine, and Total Salts from Treated Cyanide Solutions on Soils	82,885
Carbon and Stillwater Counties and City of Big Timber	Integrated Waste Management in Southcentral Montana	45,437
Dept. of Health and Environmental Sciences	Nonpoint Pollution Control Project	146,620
Montana Bureau of Mines and Geology	Downhole Geophysical Logging Techniques	39,749
Montana Board of Oil and Gas Conservation	Abandoned Well Plugging Project "C"	144,000
Toole County	North Toole County Reclamation Project	105,000
Carbon, Chouteau, Custer Dawson, and Lake Counties	Pesticide Contamination Cleanup	300,000
Government of Butte-Silver Bow	Upper Clark Fork River Basin Coordinator	60,000
Dept. of Natural Resources and Conservation	Arsenic in Upper Missouri River Basin	179,330
Department of State Lands	Well Assessment and Abandonment	300,000
Department of State Lands	Comet Mine Wetlands Development	250,700
Glacier County Conservation District	Evaluation of Ground Water Contamination	197,453
Dept. of Health and Environmental Sciences	Water Resources in Clark's Fork Yellowstone River Basin	218,250
Sheridan County Conservation District	Oil Field Waste Contamination	134,736
Yellowstone County	LIS/GIS Project	50,000
Montana State University	Trout Stream Restoration	45,500
Montana Salinity Control Association	Supplemental Funding Nonpoint Source Pollution	62,500
Total Grants		\$4,160,773

RESOURCE INDEMNITY TRUST INTEREST ACCOUNTS

The grants authorized in this bill exceed the available revenues for the projects. The legislature gave the department the flexibility to approve grants of lower priority in the event additional revenues become available or if any of the projects of higher priority are not awarded.

The bill reauthorizes grants of \$107,000 from the 1987 legislature and \$300,000 from the 1989 legislature made to the Department of State Lands for the Blackfoot River reclamation project and transfers the appropriation of \$407,000 to the Department of Health and Environmental Sciences (DHES). This transfer was made because DHES has the authority to pursue cost recovery from parties responsible for the river contamination.

The bill also includes language which states that it is the legislature's intent that a minimum of \$3 million be available for the Reclamation and Development grants program for the 1993 legislative session.

House Bill 7

Table 3 lists the Water Development loans from the coal severance tax bond proceeds contained in House Bill 7. This table shows the grant recipient, project, term, and loan amount for both the new loans and loans reauthorized. This table also includes the Evergreen Wastewater project reauthorized in House Bill 648.

RESOURCE INDEMNITY TRUST INTEREST ACCOUNTS

Table 3
Water Development Loans from Coal Severance Tax Bond Proceeds
1993 Biennium

<u>Recipients</u>	<u>Projects</u>	<u>Loan Terms</u>	<u>New Loans</u>	<u>Reauthorized Loans</u>
NEW LOANS				
City of Forsyth	Water Treatment Plant Improve.	2% Subsidy-5 years, Bond rate 15 years	\$1,948,916	
Seely Lake-Msla Co Water Dist	Water Treatment Plant	2% Subsidy-5 years, Bond rate 15 years	922,150	
Columbia Falls	Water Improvements	1% Subsidy-5 years, Bond rate 15 years	1,163,720	
Huntley Irrigation District	Diversion Structure and Canal	No Interest Subsidy, 20 year loan	749,797	
Beaverhead Co Sewer District	Lima Dam Rehabilitation	3% for 30 years, Est. Subsidy 4.5%	3,040,000	
Mill Creek Water & Sewer Dist	Gravity Irrigation Sprinkler	6% for 30 years, Est. Subsidy 1.5%	151,000	
Lakeside Water & Sewer Dist	Wastewater Facility	6% for 30 years, Est. Subsidy 1.5%	251,700	
REAUTHORIZED LOANS				
East Bench Irrigation District	Gravity Sprinkler	4% for 30 years, Est. Subsidy 3.5%	\$	431,000
Somers Co Water & Sewer Dist	Sewer Project	3% Subsidy-5 years, Bond rate 15 years		3,151,960
Evergreen Water & Sewer Dist*	Wastewater Facilities	3% Subsidy-5 years, Bond rate 15 years		3,778,028
Lake Co/Big Arm Sewer Dist	Sewer	3% Subsidy-5 years, Bond rate 15 years		2,283,893
City of Glendive	Water Treatment Plant	2% Subsidy-5 years, Bond rate 15 years		4,075,000
City of Whitefish	Water treatment & Distribution	2% Subsidy-5 years, Bond rate 15 years		6,035,800
Town of Wibaux	Water Strg/Transmission Line	2% Subsidy-5 years, Bond rate 15 years		272,500
Town of East Glacier	Water System	2% Subsidy-5 years, Bond rate 15 years		484,270
Pondera Conservation District	Irrigation System Rehab.	2% Subsidy-5 years, Bond rate 15 years		750,000
Town of Browning	Sewage Treatment Improvements	No Interest Subsidy, 20 year loan		447,014
Anaconda-Deer Lodge County	Wastewater Effluent Disposal	No Interest Subsidy, 20 year loan		500,000
Town of Dutton	Water Supply Construction	4% Subsidy-5 years, Bond rate 15 years		150,000
Total Loans			\$8,227,283	\$22,359,465

*Includes HB 648 reauthorization of \$3,266,900 for the Evergreen Wastewater Project

RESOURCE INDEMNITY TRUST INTEREST ACCOUNTS

In addition to the reauthorized loans in the table, House Bill 7 contains language reauthorizing any remaining balance in the Broadwater Dam bond proceeds account to be used for completion of the project.

Section 8 of the bill authorizes the Board of Examiners to issue revenue bonds to refund coal severance tax bonds if the refunding is beneficial to the state. Debt service payments for these revenue bonds would come from loan receipts. The bonds would not be backed by the coal tax fund and would not be a state debt.

The terms for the seven new loans authorized in House Bill 7 are shown in Table 4. With the exception of the loan for the Huntley Irrigation District, all the loans are subsidized by coal tax revenues. These subsidies reduce the revenues deposited in the permanent coal tax trust fund. Table 4 shows the anticipated reduction in the coal tax trust fund during the loan period due to the subsidies for the new loans. The calculations are based on an average interest earnings of 7.5 percent.

Table 4
Water Development Loan Subsidy Cost to Coal Tax
1991 Session

Years	Forsyth	Seeley Lake	Col. Falls	Huntley	Beaverhead	Mill Creek	Lakeside	Totals
1-5	\$190,987	\$ 90,369	\$57,254	\$0	\$ 426,485	\$ 6,271	\$10,453	\$ 781,819
6-20	35,338	16,722	10,188	0	1,279,454	18,813	31,359	1,391,874
21-30	0	0	0	0	852,970	12,542	20,906	886,418
Totals	\$226,325	\$107,091	\$67,442	\$0	\$2,558,909	\$37,626	\$62,718	\$3,060,111

Other Legislation

House Bill 240 - This bill expands the projects eligible for Reclamation and Development grants to include projects that provide research and demonstration of farming practices that reduce agricultural chemical use.

RESOURCE INDEMNITY TRUST INTEREST ACCOUNTS

House Bill 498 - This act authorizes the use of unexpended bond proceeds from the 1985 series Water Development bond issue for Water Development loans. This bill also increases the amount of the loans from \$100,000 to \$200,000.

Senate Bill 313 - Senate Bill 313 clarifies the state's water storage policies. One of the provisions of the bill sets aside 25 percent of the money available for Water Development and Renewable Resource Development grants in the 1993 biennium in a separate account to be available for water storage projects for the 1993 legislature. This reduces the funds available for grants in the 1993 biennium, which was anticipated when the grants for the two programs were approved by the 1991 legislature.

CULTURAL & AESTHETICS GRANTS PROGRAM

The Cultural and Aesthetics Grants program, which is administered by the Montana Arts Council, is funded by the interest from a non-expendable trust which receives a portion of the coal severance tax revenues. By statute, the interest from this must be used for protection of works of art in the state capitol and for other cultural and aesthetic projects. All grants must be approved by the legislature.

Table 1 details the total appropriations, actual expenditures, and numbers of projects funded since the program began.

Table 1
History of Cultural Aesthetic Projects

<u>Biennium</u>	<u>Appropriated</u>	<u>Expended</u>	<u>Projects</u>
1979	\$50,000	\$50,000	1
1981	140,000	140,000	3
1983	641,680	601,477	15
1985	823,479	811,116	39
1987	1,476,511	1,442,870	63
1989	1,211,817	1,208,217	52
1991	1,298,788	1,051,260	74
1993	1,296,080	N/A	101

CULTURAL & AESTHETICS GRANTS PROGRAM

SPECIAL SESSION ACTION

The legislature passed House Bill 13 during the January 1992 special session which diverted 42.5 percent of the coal tax allocated to the trust for fiscal 1993. These anticipated revenues (\$103,865) were then appropriated for operating expenses in the Arts Council's budget, replacing general fund.

Table 2 shows the projected funding for the Cultural and Aesthetics Grants for the 1993 biennium after the special session action.

Table 2
Cultural & Aesthetics Fund
Fund Balance Projection
1993 Biennium

Beginning Fund Balance	\$389,805
Revenues	
Interest	1,266,713
Coal Tax (42.5% of FY93 Allocation)	103,865
Funds Available	\$1,760,383
Expenditures	
Administration	\$244,981
Evaluations	11,000
Grants	<u>1,296,080</u>
Total Expenditures	<u>\$1,552,061</u>
Ending Fund Balance	\$208,322

CULTURAL & AESTHETICS GRANTS PROGRAM

REGULAR 1991 LEGISLATIVE SESSION

House Bill 1008 enacted by the 1991 legislature created a separate trust for this program. Prior to fiscal 1992, a portion of coal severance tax collections were deposited in the Parks Acquisition trust. Of the interest earned on that trust, two-thirds was allocated for park acquisition and maintenance and one-third for the cultural and aesthetics grant program. Effective July 1, 1991, House Bill 1008 provides that one-third of the trust principal be placed in a separate trust, with all the interest dedicated to the cultural and aesthetics grant program. This new trust will receive 0.6335 percent of coal tax collections. In the January 1992 special session, a portion of the coal tax allocation for this trust was diverted to the Arts Council's budget to replace general fund. This diversion is for fiscal 1993 only.

Table 3 lists the grants which were appropriated in House Bill 9 in the 1991 regular session for these projects. Projects are listed in priority order and will be funded in that order as funds become available. There were no changes to these grants during the 1992 special session.

Table 3
Cultural & Aesthetic Grants, 1993 Biennium
House Bill 9 Appropriations

Name of Project		Appropriation
1	MSU Shakespeare in the Parks	\$27,500
2	Montana Arts Council	50,000
3	Montana Institute of the Arts Fund	15,000
4	Helena Presents	30,000
5	Vigilante Theater Company	15,500
6	Montana Performing Arts Concert	40,000
7	Yellowstone Art Center	50,000
8	UM Montana Repertory Theater	50,000
9	MSU KUSM Public Television	32,500
10	Native American Cultural Institute	9,000
11	Alberta Bair Theater Corp.	10,000
12	Montana Historical Society	73,400
13	Hockaday Center for the Arts	15,000

CULTURAL & AESTHETICS GRANTS PROGRAM

<u>Name of Project</u>	<u>Appropriation</u>
14 Montana Arts Council	35,000
15 Young Audiences of Western MT	10,000
16 Missoula Children's Theater	35,000
17 Montana Art Gallery Director's Association	25,000
18 International Choral Festival	5,000
19 Montana Committee for the Humanities	25,000
20 Watershed Foundation	27,500
21 Town of Sunburst	10,000
22 Dull Knife Memorial College Library	20,000
23 Aleph Movement Theater	10,000
24 Beall Park Art Center	3,500
25 Custer County Art Center	15,000
26 Bigfork Center for the Performing Arts	15,000
27 Lewistown Arts Center	1,500
28 Missoula Children's Theater	15,000
29 Northern Lights Institute	10,000
30 Helena Civic Center	10,000
31 Western Heritage Center	15,000
32 Paris Gibson Square	5,000
33 Montanans for Quality TV	10,000
34 Fort Peck Fine Arts Council	20,000
35 Montana Indian Art & Cultural Association	10,000
36 Great Falls Symphony Association	10,000
37 String Orchestra of the Rockies	10,000
38 Yellowstone Chamber Players	10,000
39 Blackfeet Community College	2,000
40 Fox Committee for the Performing Arts	10,000
41 Hellgate Writers, Inc.	13,000
42 Alberta Bair Theater Corp.	8,767
43 Bigfork Center for the Performing Arts	17,534

CULTURAL & AESTHETICS GRANTS PROGRAM

	<u>Name of Project</u>	<u>Appropriation</u>
44	Glacier Orchestra and Chorale	21,917
45	Beall Park Art Center	8,767
46	Billings Symphony Society	13,150
47	Yellowstone Art Center	17,534
48	Clack Museum Foundation	13,150
49	Gallatin County Historical Society	8,767
50	MSU Shakespeare in the Parks	17,534
51	Great Falls Symphony Association	21,918
52	Bitterroot Public Library Fund	17,332
53	Carbon County Arts Guild	5,000
54	Montanans for Quality TV	10,000
55	Grandstreet Theater	10,000
56	Powder River Historical Society	2,000
57	Livingston Depot Foundation	12,000
58	Montana Ballet Company	7,500
59	Garden City Ballet	7,500
60	Montana Ag Center of Fort Benton	4,000
61	Garfield County Library	4,000
62	Custer County Art Center	5,000
63	Helena Symphony Society	7,000
64	Missoula Symphony Association	10,000
65	Montana Association of Symphony Orchestra	5,000
66	Montana State Theater Association	10,000
67	Montana Public TV Association	3,000
68	Montana Dance Arts Association	10,000
69	Billings Preservation Society	5,000
70	Daly Mansion Preservation Trust	30,000
71	Blackfeet Community College	15,000
72	Growth Thru Art, Inc.	2,000
73	Broadway 215	10,000
74	Very Special Arts Montana	4,000
		10,000

CULTURAL & AESTHETICS GRANTS PROGRAM

	<u>Name of Project</u>	<u>Appropriation</u>
75	Celebrate Missoula	10,000
76	Copper Village Museum	5,000
77	Custer County Art Center	3,000
78	Gallatin County Historical Society	2,500
79	Treasure County 89'ers	3,000
80	Granite County Museum/Cultural Center	5,000
81	Montana Alliance for Arts Education	5,000
82	Stevensville Museum	2,500
83	Bitterroot Community Band	1,000
84	Montana Puppet Guild	4,000
85	Daly Mansion Preservation Trust	15,000
86	MSU School of Art	18,000
87	Garnet Preservation Association	5,000
88	Big Sky Association for the Arts	10,000
89	Dillon Depot Restoration Committee	2,000
90	UM KUFM Radio	3,000
91	Biddle Community Heritage Center	1,000
92	Prairie County Museum	3,000
93	Bannack State Park	2,310
94	Milwaukee Rode Cultural Project	4,000
95	Museum of the Northern Great Plains	10,000
96	Old Trail Museum	5,000
97	Helena Arts Council	5,000
98	Helena Arts Council	5,000
99	Archie Bray Foundation	5,000
100	Archie Bray Foundation	5,000
101	Big Fork Village Art and Cultural Center	1,000
	TOTAL	\$1,296,080

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E-14	University System		

GENERAL APPROPRIATIONS ACT OF 1991 HOUSE BILL 2 AS AMENDED



AN ACT TO GENERALLY REVISE APPROPRIATIONS FOR THE 1992 BIENNIUM; AMENDING THE GENERAL APPROPRIATIONS ACT OF 1991 AND OTHER ACTS APPROPRIATING MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIUM ENDING JUNE 30, 1993; AMENDING CHAPTER 815; SECTION 9, CHAPTER 526; SECTION 2, CHAPTER 546; SECTION 4, CHAPTER 559; SECTION 16, CHAPTER 604; SECTION 6, CHAPTER 634; SECTION 1, CHAPTER 707; SECTION 16, CHAPTER 720; SECTION 1, CHAPTER 753; SECTION 12, CHAPTER 765; SECTION 6, CHAPTER 774; SECTION 9, CHAPTER 781; SECTION 5, CHAPTER 816; AND SECTION 1, CHAPTER 820, LAWS OF 1991; REPEALING SECTION 7, CHAPTER 725, LAWS OF 1991; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Chapter 815, Laws of 1991, is amended to read:

"Section 1. **Short title.** [This act] may be cited as "The General Appropriations Act of 1991".

Section 2. Limit on personal services transfer -- exceptions. (1) Funds appropriated for personal services or indicated in legislative intent as having been appropriated for personal services may not be expended under any other category unless the approving authority approves a specific agency request for the 1993 biennium only, which request is justified either on the basis of documented cost savings or as specified in subsection (2). The approving authority shall submit its analysis of the cost savings to the legislative auditor, with wages and fringe benefits separately documented from other cost savings. The legislative audit committee shall review the approving authority's analysis and report to the 53rd legislature on the savings realized.

(2) If an agency is unable to recruit and hire professional positions funded in the appropriation, funds appropriated for personal services may be used to fund an agreement or contract to provide services that are identical to those services performed by an authorized position. The amount used for the agreement or contract may not be more than the amount authorized for the position less any personal services reduction. The agency director shall certify to the approving authority, as defined in ~~House Bill No. 454~~ 17-7-102, or his designated representative that the agency is unable to fill the position and that the services performed by that position are necessary.

Section 3. First level expenditures. The agency and program appropriation tables in the legislative fiscal analyst narrative accompanying this bill, showing first level expenditures and funding for the 1993 biennium, are adopted as legislative intent.

Section 4. Reorganization. If any agency reorganizes during the 1993 biennium, the agency shall present for fiscal 1992 and fiscal 1993 by program:

- (1) a restatement of the FTE records and financial records consistent with the reorganized structure; and

(2) a comparison of the original operating budget to the revised operating budget that reflects the reorganization. Reorganization means transfer of functions or five or more FTE from one program to another.

Section 5. Natural resources damage assessment repayment. In the natural resource damage assessment and litigation against the Atlantic richfield company, the state shall seek repayment of any funds appropriated in [this act] that are expended by a state agency for the purpose of conducting the assessment and/or litigation. This repayment must include interest on the funds at a rate commensurate with rates earned in the short-term investment pool.

Section 6. Personal services reduction. ~~The line item for "personal services reduction" reduces the agency's total personal services appropriation before [this act] is enrolled, the legislative fiscal analyst is directed to allocate the personal services reduction among programs within the agency. This allocation must be:~~

~~(1) made after all other amendments contained in this conference committee report have been made; and~~

~~(2) based upon the funding for all control variables within each program, excluding control variables that do not contain personal services.~~

Section 7 6. Budget reduction. The line item for "budget reduction" reduces the agency's total general fund appropriation. The agency, with the approval of the approving authority as defined in ~~House Bill No. 454~~ 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.

Section 8 7. Vacant positions. If a budgeted position remains unfilled for more than 6 months, the position may be filled only after approval by the approving authority. The approving authority shall document in writing the justification and approval for filling each position that was vacant for more than 6 months and shall provide the documentation to the office of budget and program planning and to the office of the legislative fiscal analyst if requested. If a budgeted position remains unfilled for more than 1 year, the approving authority may not include the position in the budget request base for the executive budget request that will be presented to the 53rd legislature. The budget request must include an analysis of vacant positions subject to the approval requirement in this section and must specifically identify those positions that remained unfilled for more than 1 year and are included in the budget request as modifications.

Section 9. Employee training documentation. ~~All agencies shall identify on the statewide budgeting and accounting system the costs of providing training to employees, including travel but not including the personal services costs for the employees being trained. In addition, agencies shall maintain statistics and information that disclose the days of training provided to employees, the number of employees who received training, and the type of training provided.~~

Section 10 8. Severability. If any section, subsection, sentence, clause, or phrase of [this act] is for any reason held unconstitutional, such decision

does not affect the validity of the remaining portions of [this act].

Section 41 9. Audit cost. Amounts appropriated for audits may be transferred between fiscal years. Agencies shall reserve enough cash in each fund to pay for audit costs and shall, to the maximum extent allowable under federal regulations, charge audit costs to federal funds. The budget director shall increase the agency line item appropriations for legislative audits by amounts that total the amount appropriated for the 1993 biennium from the legislative auditor's special revenue fund for the purpose of state pay plan funding. The budget director shall allocate the amounts on the same basis that current line items for legislative audits in agency budgets are allocated in [this act].

Section 42 10. Technical allocation costs. For agencies with internal cost allocation plans funded with proprietary revenues, the budget director shall adjust agency appropriations by amounts necessary to increase the budgets for indirect costs attributable to pay increases in an agency's indirect cost pool appropriated in the state pay plan bill. Funding for this appropriation consists of general fund money and other funds in an amount proportionate to the funding allocated for budgeting indirect cost assessments in [this act].

Section 43 11. Account analysis. All agencies shall reexamine their proprietary accounts and designated subfunds and report to the legislative auditor's office after fiscal year 1992 the specific plans for spending the accounts, the monthly or daily account balances, and whether the accounts have adequate amounts of revenue and fund balances and the plans to reduce or add monies to the accounts.

Section 44 12. Totals not appropriations. The totals shown in [this act] are for informational purposes only and are not appropriations.

Section 13. Fund balance transfers and revenue estimate increases. The legislative auditor shall transfer to the general fund from state agency audit fees \$22,159 in fiscal 1992. The legislative auditor shall transfer to the general fund from special audit reimbursements \$10,200 in fiscal 1993. The legislative auditor shall work with agencies to ensure that \$33,140 of bond assessment fees is deposited in the general fund in fiscal 1993.

The law library program in the judiciary is directed to increase fees for automated legal data base and telefax services. The program must deposit to the general fund \$11,000 in fiscal 1992 and \$26,000 in fiscal 1993 from such fee revenue increases.

The governor's office shall transfer to the general fund from the ARCO Clark Fork state special revenue account \$28,000 in fiscal 1992. The governor is directed to sell the governor's airplane for an amount sufficient to deposit approximately \$575,000 in the general fund in fiscal 1992 after selling costs.

The secretary of state is directed to raise annual corporation report fees by an amount sufficient to deposit an additional \$150,000 in the general fund beginning in fiscal 1993.

The department of justice shall transfer to the general fund from the driver improvement fees state special revenue account \$2,700 in fiscal 1993. The

department of justice shall transfer to the general fund from the criminal lab state special revenue account \$21,700 in fiscal 1993.

The department of administration shall transfer to the general fund from photocopy pool proprietary funds \$46,000 each year of the biennium. The department of administration shall transfer to the general fund from computer services and telecommunications proprietary funds \$100,000 in fiscal 1992.

The public employees' retirement division shall transfer to the general fund from social security contributions and interest earnings \$120,547 in fiscal 1992 and \$24,000 in fiscal 1993.

The department of military affairs shall transfer to the general fund from federal national guard funds \$183,431 over the biennium. The department of military affairs shall transfer to the general fund from federal contract reimbursements \$40,000 over the biennium.

The department of social and rehabilitation services shall transfer to the general fund from the child support enforcement account all cash balance remaining at the end of fiscal 1992. Any cash balance in the account in excess of \$500,000 at the end of fiscal 1993 must be deposited in the general fund. Upon final determination of all general fund money in the social and rehabilitation services department's unreconciled special revenue fund balance (in the approximate total amount of \$2,530,153), any funds remaining in the special revenue fund to which the state is entitled must be deposited in the general fund.

There must be retained in the local impact account, established under 90-6-202, for the purpose of reverting to the state special revenue account for school equalization aid to public schools an amount not less than \$500,000 in fiscal 1992 and \$1,635,363 in fiscal 1993.

The department of corrections and human services shall transfer to the general fund from additional estimated insurance, medicaid, and medicare reimbursements \$999,162 in fiscal 1992 and \$792,870 in fiscal 1993. The department of corrections and human services shall transfer to the general fund from the additional fiscal 1990 cost settlement \$1,050,012 in fiscal 1992. The department of corrections and human services shall transfer to the general fund \$513,454 from estimated charges for court-ordered evaluations in fiscal 1993.

Section 14. Montana university system vacancy. The Montana university system, with the exception of the office of the commissioner of higher education, is excluded from the vacant position provisions in [section 7].

Section 15. Effective date. [This act] is effective July 1, 1991 on passage and approval.

Section 16. Appropriations. The following money is appropriated for the respective fiscal years:

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

A. GENERAL GOVERNMENT AND HIGHWAYS

LEGISLATIVE AUDITOR (1101)

1. Audit and Examination Program (01)

4,154,114	1,108,855			2,262,969	1,149,898	1,104,805
<u>1,075,633</u>				<u>2,184,488</u>	<u>1,146,687</u>	

2,254,703

2,251,492

a. Additional Audit Staff (Line Item)

	117,631			117,631		117,376
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b. Legislative Automation Plan (Line Item)

6,401	6,151			12,552	12,706	12,208
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24,914

c. Adjusted Cost Estimates (Line Item)

12,476	11,987			24,463	4,040	3,883
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7,923

d. Sunrise Application Evaluations (Line Item)

						5,000
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5,000

e. SB 264 -- Actuarial Evaluation (Line Item)

	20,000			20,000		
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f. Audits of School-Related Organizations (Line Item)

	4,000			4,000		
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g. Privatization Alternatives -- Additional Audit Staff (Line Item)

24,837				24,837	24,778	24,778
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24,778

h. New Audit Work -- Additional Audit Staff (Line Item)

24,837				24,837	24,778	24,778
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24,778

i. State Compensation Mutual Insurance Fund (Line Item)

	24,837			24,837		24,778
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24,778

2. Budget Reduction (Line Item)

	Fiscal 1992			Fiscal 1993			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	Other
5,668						5,668	5,637
Total							
4,216,997	1,293,461					2,510,458	1,268,050
1,138,516						2,431,977	1,207,352
LEGISLATIVE FISCAL ANALYST (1102)							
1. Analysis and Review (01)							
828,738						828,738	877,124
781,974						781,974	830,965
a. Legislative Contingencies (Line Item)							
20,000						20,000	
18,700						18,700	
b. Legislative Requests (Line Item)							
20,000						20,000	
18,700						18,700	
2. Budget Reduction (Line Item)							
4,221						4,221	4,260
Total							
864,517						864,517	872,864
815,153						815,153	826,705
Items 1a and 1b are biennial appropriations.							
LEGISLATIVE COUNCIL (1104)							
1. Interim Studies and Conferences (05)							

	Fiscal 1992				Total	General Fund	State Special Revenue	Fiscal 1993		Other	Total
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary							
	469,407	12,000			481,407						
	444,046				456,046						
2. Reimbursable Activities Program (07)											
		593,470			593,470		251,120				251,120
3. Legislative Council Operations (10)											
	1,342,917	458,726			1,801,643	1,876,200	254,363				2,130,563
	1,300,694				1,759,420	1,834,120					2,088,483
a. 1991 Base Pay Adjustment (Line Item)											
	34,161				34,161	30,349					30,349
						5,000					5,000
b. One Added FTE (Line Item)											
	23,865				23,865	27,179					27,179
						0					0
c. Reapportionment Technical Support (Line Item)											
	138,486				138,486	11,213					11,213
	103,486				103,486						
d. Legislative Computer Network (Line Item)											
	94,530				94,530	84,166					84,166
	69,530				69,530	70,166					70,166
4. Budget Reduction (Line Item)											
	10,918				10,918	9,852					9,852
Total											
	2,092,448	1,064,196			3,156,644	2,019,255	505,483				2,524,738

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	<u>1,964,864</u>			<u>3,029,060</u>	<u>1,910,647</u>	<u>2,416,130</u>

Item 1 is a biennial appropriation. Individual activities are budgeted as follows:

Joint Interim Committees	\$ 82,470
Statewide Issues	25,000
Districting and Apportionment Commission	43,000
Revenue Oversight Committee	37,983
Administrative Code Committee	14,048
Select Committee on Indian Affairs	7,200
Commission on Uniform State Laws	30,000
National Conference of State Legislatures	189,706
Northwest Economic Region Conference	20,000
Regional Conferences	32,000
State Aircraft Study	<u>12,000</u>

Expenditure of funds for item 3d is contingent on approval by the joint legislative administration committee.

The legislative council may allocate money appropriated in item 1 among the individual activities listed above in order to complete work assigned by the legislature.

~~Contingent on passage and approval of House Joint Resolution No. 50,~~ A biennial appropriation not to exceed \$30,000 from pension trust funds is made to the legislative council for the purpose of conducting an interim study on retirement systems. Of the total appropriation, 12.5% must be made from the teachers' retirement pension fund. The remaining 87.5% must be made from the various pension trust funds administered by the public employees' retirement board in proportion to the membership of each system.

The revenue oversight committee may use part of the appropriation provided in item 1 for the support of the activities of the coal tax oversight subcommittee.

Item 1 includes \$12,000 for an interim study of state-owned aircraft to determine the most economical method of managing the aircraft. The committee on committees of the senate and the speaker of the house of representatives shall, respectively, appoint four senators and four representatives, two from each party.

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
to serve on the aircraft study interim committee.						
The unobligated portions of the appropriations in Chapter 1, Special Laws of January 1992, are on March 1, 1992, reappropriated to the legislative council and may be spent for an interim study upon unanimous agreement of the president of the senate, senate minority leader, speaker of the house, and house minority leader. The leaders may determine the membership and scope of the interim committees.						
ENVIRONMENTAL QUALITY COUNCIL (1111)						
1. Environmental Quality Program (01)						
274,083						268,865
263,125	1,058					261,465
a. Additional Staff (Line Item)						
15,800						15,800
2. Water Policy Committee (02)						
	26,451					
	25,393					
3. Budget Reduction (Line Item)						
1,410						1,390
Total						
285,473	26,451					283,275
277,515						275,875
Item 2 is a biennial appropriation.						
CONSUMER COUNSEL (1112)						
1. Administration Program (01)						
	805,775					828,517
a. Contract Services (Line Item)						

	General Fund	State Special Revenue	Fiscal 1992			Total	General Fund	State Special Revenue	Fiscal 1993			Total
			Federal Special Revenue	Propri- etary	Other				Federal Special Revenue	Propri- etary	Other	
b.		100,000				100,000		100,000				100,000
		Increased Travel (Line Item)										
		6,607				6,607		6,591				6,591
Total		912,382				912,382		935,108				935,108
Item 1a is for expert witness fees for unanticipated cases.												
JUDICIARY (2110)												
1.	Supreme Court Operations (01)											
	4,358,807					4,358,807	4,356,014					4,356,014
	<u>1,305,273</u>					<u>1,305,273</u>	<u>1,302,950</u>					<u>1,302,950</u>
	a.	Audit (Line Item)										
	15,626					15,626						
	b.	Court Automation (HB 320) (Line Item)										
	101,646					101,646	101,647					101,647
	c.	Law Clerk Parity (Line Item)										
	13,767					13,767	13,749					13,749
	d.	Clerk of Court Training (Line Item)										
	4,000					4,000	4,000					4,000
	e.	SB 228 -- Judicial Salary Increase (Line Item)										
	25,105					25,105	56,203					56,203
2.	Boards and Commissions (02)											
	<u>243,391</u>					<u>243,391</u>	<u>243,528</u>					<u>243,528</u>
	<u>230,936</u>					<u>230,936</u>	<u>230,921</u>					<u>230,921</u>

		Fiscal 1992			Fiscal 1993		
		State Special Revenue	Federal Special Revenue	Propri- etary	Other	Total	Other
	a. Judicial Standards (Line Item)						
	2,445		2,445			2,445	2,445
3.	Law Library (03)						
	~~551,730~~		~~551,730~~			~~551,730~~	~~551,801~~
	<u>524,709</u>		<u>524,709</u>			<u>524,709</u>	<u>538,985</u>
	a. Automated Legal Data Bases (Line Item)						
	192,050		192,050			192,050	202,773
	b. Law Book Inflation (Line Item)						
	10,556		10,556			10,556	9,265
4.	District Court Operations (04)						
	2,534,319		2,534,319			2,534,319	2,527,692
	a. SB 228 -- Judicial Salary Increase (Line Item)						
	125,348		125,348			125,348	289,212
	b. 21st Judicial District Salary, Training, Travel (Line Item)						
			32,770			32,770	32,770
	c. SB 228 -- Judicial Salary Increase (Line Item)						
			4,166			4,166	4,166
5.	Water Courts Supervision (05)						
	~~489,161~~		~~489,161~~			~~489,161~~	~~475,084~~
	<u>459,161</u>		<u>459,161</u>			<u>459,161</u>	<u>475,084</u>
	a. Audit (Line Item)						
	1,736		1,736			1,736	
	b. SB 228 -- Judicial Salary Increase (Line Item)						
	3,440		3,440			3,440	8,004

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
6. Clerk of Court (06)						
	~~168,081~~					~~167,757~~
	<u>161,375</u>					<u>160,961</u>
a. Salary Increase -- Deputy Clerk of Supreme Court (Line Item)						
	3,323					3,323
7. District Court Criminal Reimbursement Program (07)						
	~~2,682,579~~					~~2,806,573~~
						<u>3,062,573</u>
a. Audit (Line Item)						
	1,848					
8. Budget Reduction (Line Item)						
	~~25,856~~					~~25,781~~
	<u>39,629</u>					<u>52,060</u>

Total

~~8,008,765~~	~~494,337~~	~~8,503,102~~	~~8,348,037~~	~~483,088~~	~~8,831,125~~
<u>7,895,276</u>	<u>464,337</u>	<u>8,359,613</u>	<u>8,491,575</u>		<u>8,976,663</u>

Except for \$16,000 for law library use, expenditures in item 3a are limited to the amount of revenue collected from reimbursable automated legal data base usage by other entities.

Items 1e, 4a, and 5b are appropriated if Senate Bill No. 228 is passed and approved.

Item 4b is contingent on passage and approval of House Bill No. 034 and item 4c is contingent on passage and approval of both House Bill No. 034 and Senate Bill No. 228.

If revenue deposited to the general fund under the provisions of 61-3-509 is less than the appropriation for district court reimbursement, the supreme court administrator shall reduce the reimbursement to an amount equal to the revenue collected.

		Fiscal 1992			Fiscal 1993		
		General Fund	State Special Revenue	Federal Special Revenue	General Fund	State Special Revenue	Federal Special Revenue
							Proprietary
				Other	Total		Other
							Total
GOVERNOR'S OFFICE (3101)							
1.	Executive Office Program (01)						
		1,016,303	78,221	1	1,094,525	1,017,335	78,186
		982,796	83,221		1,066,018	978,859	83,186
	a. Audit (Line Item)						
		18,152			18,152		
2.	Mansion Maintenance Program (02)						
		59,098			59,098	59,851	59,851
		53,922			53,922	54,639	54,639
3.	Air Transportation Program (03)						
		347,390			347,390	459,019	459,019
		463,655	10,000		473,655	126,271	136,271
4.	Office of Budget and Program Planning (04)						
		798,110			798,110	829,424	829,424
		771,856			771,856	770,706	770,706
	a. Audit (Line Item)						
		17,362			17,362		
	b. ~~WASBO 1992 National Meeting (Line Item)~~						
		5,000			5,000	5,000	5,000
		0			0	0	0
	c b. Equipment Replacement (Line Item)						
		4,000			4,000		
	c. Special Session (Line Item)						
		8,111			8,111		

	Fiscal 1992				Fiscal 1993			
	General Fund	State Special Revenue	Federal Special Revenue	Propri- etary	Other	Total	General Fund	State Special Revenue
5. Northwest Regional Power Act (09)								
			403,124			403,124		402,853
6. Lieutenant Governor (12)								
	470,798					470,798	470,604	
	<u>159,367</u>	<u>6,000</u>				<u>165,367</u>	<u>150,186</u>	<u>15,000</u>
7. Citizens' Advocate Office (16)								
	68,452					68,452	69,136	
	<u>53,030</u>		<u>15,000</u>			<u>68,030</u>	<u>53,715</u>	<u>15,000</u>
8. Mental Disabilities Board of Visitors (20)								
	434,685		47,037			481,722	434,743	47,037
	<u>140,286</u>					<u>187,323</u>	<u>141,554</u>	
9. Budget Reduction (Line Item)								
	43,029					43,029	42,256	
	<u>72,321</u>					<u>72,321</u>	<u>54,007</u>	
Total								
	2,506,324	78,221	450,162			3,124,704	2,732,856	449,800
	<u>2,600,216</u>	<u>99,221</u>	<u>465,162</u>			<u>3,164,599</u>	<u>2,221,923</u>	<u>108,186</u>

Public funds may not be used to support the governor's radio newswire, a telephone service providing recorded news briefs.

The citizens' advocate office may not be eliminated.

The governor's aircraft is to be sold, with the proceeds from the sale to be deposited in the general fund. The appropriation in item 3 includes \$175,000

to purchase a new aircraft.

SECRETARY OF STATE'S OFFICE (3201)

1. Records Management Program (01)

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total						
1,027,283	176,432	331,332		332,856		1,464,154
<u>957,283</u>						<u>1,439,154</u>

If House Bill No. 897 is not enacted, the appropriation in item 3 is transferred to the department of administration.

COMMISSIONER OF POLITICAL PRACTICES (3202)

1. Administration (01)						
111,249			111,249			113,562

a. Audit (Line Item)

2,526

b. Part-Time Assistant (Line Item)

10,406

c. Staff Termination Pay (Line Item)

1,150

d. Legal Fees and Court Costs (Line Item)

45,000

27,844

2. Budget Reduction (Line Item)

627

627

591

591

Total

469,704

113,521

113,521

152,548

152,548

Items 1b and 1d are biennial appropriations.

The commissioner of political practices may use funds from the biennial appropriation identified in item 1b for a 0.5 FTE part-time assistant to meet the

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

biennial budget reduction of \$17,156.

The commissioner of political practices is to charge a fee for the Campaign Finance Report book that is sufficient to recover the costs of printing and distribution of the book. Public libraries are exempt from the charge for the book. The proceeds from the sale of the book, as well as the fees collected for reimbursement of copier charges, must be deposited in the general fund.

STATE AUDITOR'S OFFICE (3401)

1.	Central Management (01)					
		<u>237,063</u>		<u>237,063</u>	<u>237,103</u>	<u>237,103</u>
		<u>236,418</u>		<u>236,418</u>	<u>226,850</u>	<u>226,850</u>
	a. Audit (Line Item)					
	5,048			5,048		
	b. Computer System Replacement (Line Item)					
	97,930			97,930	<u>52,070</u>	<u>52,070</u>
					<u>41,656</u>	<u>41,656</u>
2.	State Payroll (02)					
	<u>199,363</u>	194,227		<u>393,590</u>	<u>484,690</u>	<u>304,230</u>
	<u>195,109</u>			<u>389,336</u>	<u>176,690</u>	<u>306,230</u>
	a. Audit (Line Item)					
	33,461			33,461		
	b. Payroll System Data Processing -- ISD (Line Item)					
	160,218			160,218	<u>144,394</u>	<u>144,394</u>
3.	Insurance Program (03)					
	<u>963,525</u>			<u>963,525</u>	<u>963,351</u>	<u>963,351</u>
	<u>917,308</u>			<u>917,308</u>	<u>868,897</u>	<u>910,747</u>
	a. Audit (Line Item)					

	Fiscal 1992				Fiscal 1993			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue
5,050						5,050		
b. Medicare Compliance Specialist (Line Item)								
29,354						29,354	27,304	
c. Office Equipment (Line Item)								
5,420						5,420	1,495	
998						998		
4. Securities Program (04)								
288,504						288,504	288,346	288,346
284,001						284,001	281,587	281,587
a. Audit (Line Item)								
5,050						5,050		
b. Office Equipment (Line Item)								
4,300						4,300		
140						140		
5. Fiscal Control and Management Program (10)								
308,393		146,999		149,562		604,954	308,050	146,832
303,591						600,152	300,050	
a. Audit (Line Item)								
33,467						33,467		
b. Warrant System Data Processing -- ISD (Line Item)								
99,268						99,268	89,464	
6. Budget Reduction (Line Item)								
44,779						44,779	40,759	40,759
63,036						63,036	29,932	29,932

	Fiscal 1992			Fiscal 1993			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	Proprietary

Total							
2,703,444	501,444			149,562		2,954,420	2,778,438
2,183,157				2,834,163	1,984,061	542,616	2,663,265

The appropriation in item 1b is for a computer system. The agency shall follow the system design recommendations approved by the information services division of the department of administration.

The state auditor shall implement a fee system for the purpose of recovering the operational cost of issuing warrants from all user agencies on an equitable basis. It is intended that, beginning in fiscal 1994, the general fund must be reimbursed for services provided to user agencies that are not funded entirely by the general fund. Revenues collected as reimbursement fees from user agencies for costs of issuing state warrants must be deposited in a state special revenue account. The state auditor shall submit the cost recovery plan and the 1995 biennium fee schedule by agency to the office of budget and program planning and to the legislative fiscal analyst by June 1, 1992.

CRIME CONTROL DIVISION (4107)

1. Justice System Support Service (01)							
442,804	58,665	166,462		667,928	442,958	58,665	658,085
402,254				627,381	429,558		644,685
a. Audit (Line Item)							
5,176				5,176			
b. Crime Victims' Compensation Pass-Through Grants (Line Item)							
	379,920			379,920		379,920	379,920
c. Juvenile Justice Pass-Through Grants (Line Item)							
		221,500		221,500		221,500	221,500
d. Victims' Assistance Pass-Through Grants (Line Item)							
		224,000		224,000		224,000	224,000
e. Drug Education Pass-Through Grants (Line Item)							

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
f.						
			427,000			427,000
			Drug Enforcement Pass-Through Grants (Line Item)			
			1,240,000			1,240,000
g.						
			Narcotics Control -- Grant Administration (Line Item)			
			18,101			45,101
					54,000	55,102
					30,675	
h.						
			Drug Enforcement Pass-Through Grants (Modified) (Line Item)			
			904,000			904,000
i.						
			Juvenile Justice -- Support Services (Line Item)			
			7,500			7,500
j.						
			Victims' Assistance -- Grant Administration (Line Item)			
			29,116			29,116
					25,985	25,985
			Victims' Assistance Pass-Through Grants (Modified) (Line Item)			
			109,000			109,000
k.						
			Drug Education -- Grant Administration (Line Item)			
			11,720			11,720
l.						
			Drug Education Pass-Through Grants (Modified) (Line Item)			
			115,218			115,218
n.						
			SB 321 -- Victim of DUI Offenders (Line Item)			
			73,038			73,038
o.						
			SB 370 -- D.A.R.E. Program (Line Item)			
			16,200			16,200
p.						
			SB 379 -- Probation and Parole Officer Standards (Line Item)			
			6,579			6,579
			100			100

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
2. Budget Reduction (Line Item)						
2,412			2,522			2,522
Total						
486,644	556,939	3,437,001	502,036	553,308	3,437,002	4,492,346
466,097		4,440,037	459,063		3,466,575	4,478,946
Items 1b through 1f, 1h, 1k, and 1m are biennial appropriations.						
~~Item 1e is contingent on passage and approval of Senate Bill No. 370.~~						
~~Item 1p is contingent on passage and approval of Senate Bill No. 379.~~						
All remaining federal pass-through grant appropriation authority for the 1991 biennium is authorized to continue into fiscal 1992 and fiscal 1993.						
The board of crime control shall charge tuition and fees sufficient to reimburse the general fund for costs associated with the juvenile justice training program and for technical assistance provided to local law enforcement agencies. The tuition and fees collected must be deposited in the general fund.						
HIGHWAY TRAFFIC SAFETY (4108)						
1. Highway Traffic Safety Division (36)						
200,000	74,087	904,614	200,000	74,686	903,504	1,178,199
184,080			184,080			1,162,270
a. Audit (Line Item)						
	1,013	1,013	2,026			
2. Budget Reduction (Line Item)						
1,000			1,000			1,000
Total						
499,000	75,100	905,627	499,000	74,686	903,504	1,177,199
183,080			183,080			1,161,270

		Fiscal 1992				Fiscal 1993						
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
DEPARTMENT OF JUSTICE (4110)												
1.	Legal Services Division (01)											
	845,681	311,771		1		1,157,451	938,193	212,972				1,151,165
	a.	Case-Related Travel (Line Item)										
	9,500					9,500	9,500					9,500
	b.	Legal Fees and Expert Witnesses (Line Item)										
	100,000					100,000						
	c.	Attorney-Indian Legal Jurisdiction (Line Item)										
	47,837					47,837	43,239					43,239
	d.	Litigation Costs (Line Item)										
	400,000					400,000						
2.	Agency Legal Services (06)											
					571,894	571,894				571,855		571,855
3.	Gambling Control Division (07)											
		1,387,007				1,387,007		1,386,606				1,386,606
	a.	Gambling Control Expansion (Line Item)										
		305,785				305,785		207,001				207,001
4.	Motor Vehicle Division (12)											
	~~4,619,289~~	124,254	48,538			~~4,792,081~~	4,641,381	85,419	48,534			4,775,334
	<u>4,331,014</u>					<u>4,503,806</u>						
	a.	HB 646 -- Additional Handicap Parking Display Cards (Line Item)										
	15,000					15,000	2,500					2,500
	b.	HB 568 -- Driver's License Express Stations (Line Item)										
	708,000					708,000	710,000					710,000

5.	Highway Patrol Division (13)											
		10,800,052	486,937			11,286,989			10,658,603	485,011		11,143,614
	a. Additional Patrol Officers and Dispatchers (Line Item)											
		302,290				302,290			211,109			211,109
	b. Handheld Radios (Line Item)											
		51,000				51,000						
6.	Law Enforcement Services Division (18)											
	902,303	348,539	21,196			1,272,038	881,303	327,085	31,044			1,239,432
	a. Special Investigation -- West (Line Item)											
	~~421,327~~		336,898			458,225	458,199					458,199
	<u>112,942</u>					<u>449,840</u>	<u>114,550</u>		<u>343,649</u>			
	b. Fire Prevention Grant (Line Item)											
			9,976			9,976						
	c. Identification Bureau Federal Grant (Line Item)											
			88,636			88,636			88,643			88,643
	d. HB 809 -- Fire Marshal Bureau Expansion (Line Item)											
	~~459,667~~					459,667	463,000					463,000
	<u>69,000</u>					<u>69,000</u>	<u>126,624</u>					<u>126,624</u>
7.	County Attorney Payroll (19)											
	1,014,148					1,014,148	1,015,435					1,015,435
	a. HB 155 -- County Attorney Salary Increase (Line Item)											
	136,000					136,000	333,000					333,000
8.	Law Enforcement Academy Division (22)											
	607,208					607,208	606,858					606,958

	Fiscal 1992			Fiscal 1993			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	Other
9. Central Services Division (28)							
167,823	196,198			9,334		373,355	196,952
a. Audit (Line Item)				925		36,993	
16,628	19,440						
10. Data Processing Division (29)							
651,393	240,969					892,362	246,847
a. Data Processing Air Conditioner (Line Item)						45,000	4,400
45,000							
11. Extradition and Transportation of Prisoners (30)							
193,648						193,648	193,640
143,648						143,648	143,640
12. Forensic Science Division (32)							
930,630	243,667					1,174,297	226,237
13. Budget Reduction (Line Item)							
55,436						55,436	54,015
304,762						304,762	381,749
Total							
11,635,646	14,330,972	992,180		582,153		27,540,951	13,758,831
10,948,993						26,854,298	996,881

Items 1b and 1d are biennial appropriations.

The legislature recognizes that costs associated with the Crow coal case, water rights, and tribal litigation may exceed the appropriation in item 1, and in that event, the department will need to request a supplemental appropriation from the 1993 legislature to adequately represent the state.

Item 4b is contingent on passage and approval of House Bill No. 568.

	Fiscal 1992			Fiscal 1993			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	
If federal of other funds can be not obtained for item 6a in fiscal 1993, the federal of other funds must replace the general fund appropriation in item 6a and the general fund appropriation, as amended by [this act], must be reduced by the amount of increased and the federal of other funds received. The total appropriation contained in item 6a may not be increased appropriation, as amended by [this act], must be decreased by the same amount. Item 6d is contingent on passage and approval of House Bill No. 809. Item 7a is contingent on passage and approval of House Bill No. 155. In the event that a pay plan bill is passed and approved that includes salary increases for county attorneys, item 7a must be reduced by the amount included in the pay plan bill for county attorney salaries.							
DEPARTMENT OF HIGHWAYS TRANSPORTATION (5401)							
1. General Operations Program (01)							
a. Audit (Line Item)	6,534,444	1,988,234	8,522,678	6,311,881	1,986,661	8,298,542	
	71,028		71,028				
b. Road Reporting System (Line Item)				13,630		13,630	
c. Map Digitizing (Line Item)	12,750		12,750				
	120,000		120,000	120,000		120,000	
d. Kalispell Bypass Study (Line Item)			150,000				
e. SB 164 -- Department of Transportation Organization Costs (Line Item)				30,061		30,061	
2. Construction Program (02)							
	63,254,325	142,709,034	205,963,359	66,640,533	144,241,767	210,882,300	
a. City Park Rest Areas (Line Item)							
	200,000		200,000	200,000		200,000	
3. Maintenance Program (03)							

	Fiscal 1992			Fiscal 1993			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	Proprietary
		46,944,095		46,944,095	46,728,864	46,728,864	
a. Monitoring/Upgrading Underground Fuel Tanks (Line Item)							
		1,109,800		1,109,800		1,109,800	
4. State Motor Pool (07)							
			748,341	748,341		594,076	
5. Equipment Program (08)							
			13,390,277	13,390,277		13,249,710	
6. Interfund Transfers Program (11)							
		14,208,404		14,208,404	17,149,771	17,149,771	
7. Stores Inventory (12)							
		15,460,726		15,460,726	14,901,886	14,901,886	
8. Gross Vehicle Weight Division (22)							
		3,540,044		3,540,044	3,637,061	3,637,061	
a. Automated Weigh Stations (Line Item)							
		243,820		243,820	68,700	68,700	
b. Gross Vehicle Weight Officer Training (Line Item)							
		30,165		30,165	25,165	25,165	
Total							
		151,834,729	144,847,268	310,820,615	156,937,352	146,228,428	317,009,566

The department is directed to submit to the 1993 legislature a construction work plan for the 1995 biennium that is detailed by year and project. This work plan must specify, by road system or project area, proposed projects on which \$1 million or more would be spent during the 1995 biennium and an aggregate cost for projects with anticipated expenditures of less than \$1 million. Costs must be detailed by year and project.

The department may adjust appropriations and FTE in the construction, interfund transfers, and maintenance programs between fiscal years to reflect actual

Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
expenditures related to the construction work plan and maintenance activities.											
The department may adjust appropriations in the construction program between fund types, provided that the adjustment does not exceed 10% of the total appropriation established by the legislature for the construction program. All transfers between fund types must be fully explained and justified on budget documents submitted to the office of budget and program planning, and all fund transfers of over \$1 million in any 30-day period must be communicated to the legislative finance committee in a written report.											
The department is directed to conduct a cost responsibility study to determine the appropriate ratio of highway user fees based on road wear caused by each type of user. The department shall provide a report of study results and a recommended fee structure to the legislative finance committee by June 1, 1992.											
State highway commission commissioners cannot be flown to or from highway commission meetings in state-owned aircraft unless documented cost savings over other transportation options can be achieved.											
DEPARTMENT OF REVENUE (5801)											
1. Director's Office (01)											
809,347		168,644	428,424		1,406,415	815,409		168,425	428,716		1,412,550
<u>733,247</u>					<u>1,330,315</u>	<u>741,509</u>					<u>1,338,650</u>
a. Audit (Line Item)											
32,474	1,563		89,079		123,116						
<u>778,656</u>	8,607			<u>787,263</u>	<u>775,416</u>	8,589					<u>784,005</u>
<u>706,656</u>				<u>715,263</u>	<u>700,416</u>						<u>709,005</u>
3. Data Processing Division (03)											
<u>970,323</u>	<u>43,525</u>		450,445		<u>1,464,293</u>	<u>965,910</u>	43,428		451,108		<u>1,460,446</u>
<u>880,323</u>	<u>53,525</u>			<u>1,384,293</u>	<u>875,910</u>						<u>1,370,446</u>
a. Workers' Compensation Payroll Tax (Line Item)											
					39,887		34,165				34,165
4. Liquor Division (05)											

		Fiscal 1992				Fiscal 1993			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	State Special Revenue	Federal Special Revenue	Proprietary
a.	Liquor Licensing Bureau (Line Item)			249,743		249,743			249,656
5.	Income Tax (06)								
		286,506							
		3,348,123				3,634,629	293,880		3,593,104
		3,315,923				3,602,429			3,456,509
a.	Workers' Compensation Payroll Tax (Line Item)								
		91,992				91,992	75,074		75,074
b.	Accounts Receivable (Line Item)								
		91,931				91,931	78,141		78,141
c.	Equipment Replacement (Line Item)								
		66,389				66,389	27,614		27,614
d.	Computer Processing Costs (Line Item)								
		98,384				98,384	72,417		72,417
e.	Revenue Collection (Line Item)								
		91,713				91,713	78,723		78,723
f.	Revenue Enhancement								
		39,667				39,667	126,761		126,761
6.	Corporation Tax (07)								
		63,186				63,186	129,156		129,156
		1,422,194				1,422,194	63,193		1,346,508
		1,224,148				1,416,479	1,238,282		1,430,631
7.	Property Tax Division (08)								
a.	Elected and Deputy Assessors								
		1,649,662				1,649,662	1,651,923		1,651,923
b.	Appraisers and Other Assessors								

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
c. Property Assessment Program	6,558,578		6,557,512			6,557,512
d. Cyclical Reappraisal Costs (Line Item)	2,956,963		2,956,882			2,956,882
	22,000		249,000			249,000
e. Computer-Assisted Mass Appraisal System (CAMAS) Costs (Line Item)	333,281		333,281			276,281
8. Motor Fuel Tax (10)		620,119	617,287			617,287
9. Budget Reduction (Line Item)	94,138		94,138			94,195
Total						

~~18,835,880~~	1,155,385	297,789	1,217,691	21,506,745	48,834,416	1,135,616	297,581	1,129,480	21,397,003
~~18,707,201~~	1,165,385			21,388,066	18,699,805				21,262,482

Liquor division proprietary funds necessary to maintain adequate inventories of liquor and wine and to operate the state liquor operation are appropriated. During the 1993 biennium, the division shall attempt to return at least 10% of net sales. Net sales are gross sales less discounts and all taxes collected. The division shall limit operational expenses of the liquor merchandising system to not more than 15% of the net sales. Operational expenses may not include product costs, freight charges, expenses allocable to other divisions, or licensing bureau expenses.

An agent operating a state agency liquor store has the preference right to renew the agent's agency agreement by accepting the terms of the request for bids as those terms existed before January 1, 1991, and by meeting the highest bid made by any other applicant. Those agency agreements that contain renewal options must be honored according to the terms of the agency contract and request for bids in existence prior to January 1, 1991.

Funds appropriated in item 7e may be used only for consulting contracts to support CAMAS or to support appraisers' use of CAMAS, for debt service costs to fund equipment acquisition, and for computer maintenance contracts.

		Fiscal 1992			Fiscal 1993		
		State Special Revenue	Federal Special Revenue	Propri- etary	Other	Total	Total
DEPARTMENT OF ADMINISTRATION (6101)							
1.	Director's Office (01)						
		232,354		61,572		293,926	289,957
		<u>230,097</u>				<u>291,669</u>	
2.	Accounting Program (03)						
		1,030,986		29,350		1,050,336	1,034,484
		<u>998,836</u>				<u>1,028,186</u>	<u>1,018,774</u>
	a. Audit (Line Item)						
		38,771				38,771	
3.	Architecture and Engineering Program (04)						
		672,098			664,006	1,336,104	1,354,571
	a. Audit (Line Item)						
		1,370				1,370	
	b. Capitol Restoration Commission (Line Item)						
		11,634				11,634	11,634
	c. Expanded Long-Range Building Plan (Line Item)						
		51,242			51,242	102,484	107,340
4.	Procurement and Printing Division (06)						
		420,824		6,111,843		6,532,667	6,801,828
		<u>408,724</u>				<u>6,520,567</u>	<u>6,793,287</u>
	a. Audit (Line Item)						
				19,788		19,788	
	b. Pass-Through Printing (Line Item)						
				3,412,515		3,412,515	3,543,765

	General Fund	Fiscal 1992			Total	General Fund	State Special Revenue	Fiscal 1993		Other	Total
		State Special Revenue	Federal Special Revenue	Propri- etary				Federal Special Revenue	Propri- etary		
c.		Federal Surplus Property (Line Item)			87,000			87,000			87,000
5.		Information Services Division (07)									
a.		Audit (Line Item)			58,140						
b.		Contracted Systems Development (Line Item)			200,000						
c.		Computer Services			7,982,061			8,193,261			8,193,261
d.		Telecommunications			8,385,973			7,924,699			7,924,699
e.		Emergency 911			75,567			76,712			76,712
f.		Armory Computer Upgrade (Line Item)			75,000			75,000			75,000
g.		Public Safety Communication (Line Item)			82,000			57,000			57,000
h.		ISD -- Growth in Workload (Line Item)			500,000			500,000			500,000
i.		ISD -- Networks (Line Item)			796,499			796,504			796,504
j.		Mainframe Disaster Backup (Line Item)			179,000			144,000			144,000
k.		Student Long Distance (Line Item)									

	General Fund	Fiscal 1992			Fiscal 1993		
		State Special Revenue	Federal Special Revenue	Proprietary	State Special Revenue	Federal Special Revenue	Proprietary
				Other	Total	General Fund	Other
l. Telephone System Upgrades (Line Item)							
		323,768			323,771		
m. Family Services Computer System (Line Item)							
		229,000			229,000		
		78,200			93,200		
6. General Services Program (08)							
		2,575,429		58,419	2,633,848	250,164	58,426
		<u>2,545,429</u>			<u>2,626,333</u>	<u>220,164</u>	
a. Audit (Line Item)		7,672					
b. Utilities Cost (Line Item)							
		1,034,607			1,051,670	143,409	
7. Mail and Distribution Bureau (13)							
		1,639,686			1,642,234		
a. Audit (Line Item)		3,526					
b. Postage Machines (Line Item)		6,500			6,500		
c. Expanded Mail Services (Line Item)		174,087			174,087		
8. State Personnel Division (23)							
		500,037			502,944	917,491	
		<u>543,037</u>			<u>548,217</u>	<u>869,093</u>	
a. Audit (Line Item)							

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
b.						
						1,176
						1,176
						36,500
c.						21,500
						10,000
						10,000
d.						21,180
						9,112
						9,112
e.						8,000
						8,000
f.						20,252
						20,252
9.						2,101,132
						2,101,132
a.						7,036
						7,036
b.						500,000
						500,000
10.						427,807
						427,807
						374,783
						374,783
11.						47,277
						47,277
						48,934
						48,934
						427,361
						427,361
						375,073
						375,073
						500,000
						500,000
						2,153,202
						2,153,202
						20,252
						20,252
						8,000
						8,000
						21,180
						21,180
						21,500
						21,500
						10,000
						10,000
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	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total						
3,728,337	746,344	37,011,859	773,667	41,960,207	3,376,874	757,323
3,228,524		37,054,859		41,803,394	3,150,824	

~~The deletion of the personal services reduction in state special revenue is contingent on passage and approval of House Bill No. 5.~~

~~Item 3b is contingent on passage and approval of House Bill No. 500.~~

~~Item 3c is contingent on passage and approval of House Bill No. 5.~~

Item 5b is a biennial appropriation.

The governor-elect program is appropriated all necessary expenses, up to \$50,000 from the general fund in fiscal 1993, to implement the provisions of 2-15-221.

~~Item 5m is contingent on passage and approval of House Bill No. 560.~~

The department shall develop and submit a cost recovery plan for each of its proprietary operations to the office of budget and program planning and the legislative fiscal analyst by August 1, 1992.

Funds remaining in the capitol land grant account of the capital projects fund, after the appropriations are met for the general services division of the department of administration and any projects provided for in ~~House Bill No. 5~~ Chapter 774, Laws of 1991, are appropriated to the long-range building debt service fund for the payment of principal and interest on bond issues for public buildings at the capitol for executive, legislative, and judicial purposes, as outlined in section 12 of The Enabling Act. This appropriation is for the biennium ending June 30, 1993, and is not to exceed the annual debt service required on these bonds.

The appropriation in item 6 in the other column includes \$58,801 in fiscal 1992 and \$58,801 in fiscal 1993 from the capital projects fund.

In item 6, the department may charge a maximum of \$3.28 a square foot in fiscal 1992 and \$3.34 a square foot in fiscal 1993 for office space in state-owned buildings.

Item 6b may be used only to pay utilities costs.

The department may charge a maximum overhead rate of 6% each year in item 7.

~~Item 8f is contingent on passage and approval of House Bill No. 696.~~

The department is appropriated funds to pay the deductible portion of each claim incurred and covered by a deductible insurance plan from the deductible

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

reserve fund authorized in 2-9-202(2).

By July 15, 1992, the tort claims division shall present to the legislative finance committee proposed changes in the method or methods of determining and allocating insurance premiums to state agencies. The division shall review with the legislative finance committee the proposal and potential fiscal impacts before the rate methodology is adopted and before premiums are included in agency budget requests by the office of budget and program planning.

In item 9b, the department is authorized to hire 0.5 clerical FTE.

The public service commission is considering a proposal allowing large state natural gas customers to purchase their own supplies of gas directly from gas producers. Recognizing the likelihood of a changing natural gas procurement environment, the governor is authorized, if the proposal is approved by the commission, to designate a lead agency to implement a coordinated natural gas procurement program for affected state agencies and the university system.

STATE COMPENSATION MUTUAL INSURANCE FUND (6103)

1. State Compensation Mutual Insurance Fund (01)				128,877,379		128,877,379
a. Audit (Line Item)	25,082	121,856,189				
			83,655			
b. Claims Management Program (Line Item)						
		912,563		910,494		910,494
c. Audit Bureau (Line Item)			304,304	303,699		303,699
d. HB 187 -- Construction Premiums (Line Item)		228,629		194,830		194,830
Total	25,082	123,385,340		130,286,402		130,286,402

~~Item 1d is contingent on passage and approval of House Bill No. 187.~~

PUBLIC EMPLOYEES' RETIREMENT BOARD (6104)

[illegible]

The amounts listed in items 1, 1a, 1b, and 1c are appropriated from the pension trust fund.

~~Contingent on passage and approval of House Bill No. 505, the~~ The board is appropriated \$3,860 from pension trust funds in fiscal 1992 and \$2,360 from pension trust funds in fiscal 1993.

~~Contingent on passage and approval of House Bill No. 711, the~~ The board is appropriated \$5,000 from pension trust funds in fiscal 1992 and \$5,000 from pension trust funds in fiscal 1993.

~~Contingent on passage and approval of Senate Bill No. 226, the~~ The board is appropriated \$25,000 from pension trust funds in fiscal 1992 and \$5,000 from pension trust funds in fiscal 1993.

TEACHERS' RETIREMENT BOARD (6105)			
1.	Teachers' Retirement Program (01)		
a.	Audit (Line Item)	469,647	461,222
b.	Data Processing and Service Upgrades (Line Item)	23,676	461,222

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
c. System Enhancements for Legislated Changes (Line Item)						
		147,380	147,380		108,380	108,380
		25,000	25,000			
Total		665,703	665,703		569,602	569,602
The amounts listed in items 1, 1a, 1b, and 1c are appropriated from the pension trust fund.						
~~Item 1c is contingent on passage and approval of Senate Bill No. 226.~~						
DEPARTMENT OF MILITARY AFFAIRS (6701)						
1. Administration Program (01)						
217,838			217,838	217,991		217,991
				212,991		212,991
a. Audit (Line Item)						
5,920			5,920			
2. Army National Guard Program (12)						
900,880		1,108,021	2,008,901	908,451	1,116,411	2,024,862
895,780			2,003,801	855,851	1,156,411	2,012,262
a. Repair and Maintenance (Line Item)						
486,000			486,000			
118,375			118,375			
b. Environmental Program (Line Item)						
9,275		41,099	50,374	9,228	40,833	50,061
3. Air National Guard Program (13)						
180,429		1,402,315	1,582,744	182,313	1,411,460	1,593,773

	Fiscal 1992				Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Fiscal 1993				
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary						Proprietary	Other	Total		
a.	Repair and Maintenance (Line Item)													
	14,000			42,000		56,000								
4.	Disaster Coordination Response (21)													
	218,140			235,009		453,149	217,697		234,558			452,255		
a.	Audit (Line Item)													
	4,262			4,262		8,524								
5.	Emergency Management Development (24)													
				263,904		263,904			263,572			263,572		
a.	Audit (Line Item)													
				3,314		3,314								
b.	Earthquake Program (Line Item)													
				46,187		46,187			46,190			46,190		
6.	Local Reimbursement -- DES (29)													
				564,000		564,000			540,000			540,000		
7.	Veterans' Affairs Program (31)													
	468,438		9,672	35,557		513,667	468,162	9,669	35,456			513,287		
a.	Audit (Line Item)													
	5,918					5,918								
b.	Veterans' Cemetery Construction (Line Item)													
				22,500		22,500		31,500	45,000			76,500		
8.	Budget Reduction (Line Item)													
	41,055					41,055	40,019					40,019		
	31,834					31,834	67,732					67,732		

	Fiscal 1992			Total	General Fund	State Special Revenue	Federal Special Revenue	Fiscal 1993			Total
	General Fund	State Special Revenue	Federal Special Revenue					Other	Proprietary	Other	
Total											
2,200,045	32,172	3,745,668		5,977,885	4,903,823	41,169	3,733,480				5,768,472
2,106,541				5,884,381	1,878,510		3,773,480				5,693,159

Items 2a and 3a are biennial appropriations.

In item 3, up to two firefighter FTE may be added if the current contract is modified or becomes unnecessary.

In item 5b, the department shall direct the earthquake program to local schools to the maximum extent possible.

~~Item 7b is contingent on passage and approval of House Bill No. 723.~~

TOTAL SECTION A

55,350,474	473,303,647	154,675,605	174,816,555	2,664,938	562,811,309	54,900,322	177,204,264	155,703,117	183,274,369	2,307,416	573,308,488
53,604,964	173,304,647	154,690,695	176,859,555		561,124,799	53,201,903	177,276,114	156,131,339	183,319,642		572,236,414

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
3. Environmental Sciences (03)						
	39,847			39,306		39,306
899,129	1,341,069	728,237	145,559			
822,917	1,402,369			1,401,616		3,074,943
a. Air Quality (Line Item)						
	84,972	248,386				
b. Asbestos Control (Line Item)						
	92,919			92,239		92,239
c. Natural Resources Lawsuit (Line Item)						
	4,908,049					
d. Air Quality -- Permits (Line Item)						
	301,338			297,979		297,979
e. Pay Exceptions -- Environmental Specialist (Line Item)						
	24,128	58,799		23,715		81,540
f. HB 987 -- Regulation of Public Accommodations (Line Item)						
	10,125			10,125		10,125
g. HB 988 -- Regulation of Campgrounds, Trailer Courts, Etc. (Line Item)						
	15,750			15,750		15,750
h. HB 989 -- Regulation of Food Establishments (Line Item)						
	165,000			165,000		165,000
i. HB 994 -- Regulation of Swimming Pools (Line Item)						
	76,500			76,500		76,500
4. Solid and Hazardous Waste (04)						
485,149	2,253,395	7,504,734		2,264,333	7,483,177	9,930,737

		Fiscal 1992				Fiscal 1993			
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary
									etary
									Total
<u>168,716</u>	<u>2,269,828</u>					<u>166,794</u>	<u>2,280,766</u>		
a.	Hazardous Waste (Line Item)								
	48,628	147,306			195,934		47,823	144,889	
b.	Landfill Management (Line Item)								
	138,367				138,367		136,501		136,501
c.	Landfill Management -- EQC (Line Item)								
	297,066				297,066		298,376		298,376
d.	BN/ARCO Special Projects (Line Item)								
	312,348				312,348		308,898		308,898
e.	Pay Exceptions -- Environmental Specialist (Line Item)								
13,725	125,490	99,973			239,188	13,491	124,583	98,317	236,391
f.	Exemption for Noncommercial Waste -- HB 660 (Line Item)								
	95,008				95,008		95,008		95,008
5.	Water Quality (05)								
~~169,562~~	521,550	2,079,210			~~2,770,322~~	~~167,493~~	516,550	2,057,121	~~2,744,164~~
<u>160,280</u>					<u>2,761,040</u>	<u>158,211</u>			<u>2,731,882</u>
a.	Agriculture Monitoring (Line Item)								
	15,000				15,000		15,000		15,000
b.	Ground Water Pollution (Line Item)								
	112,373				112,373			111,203	111,203
c.	Wastewater Operators (Line Item)								
	10,787				10,787		8,901		8,901
d.	Subdivisions (Line Item)								
44,386					44,386	40,213			40,213

Fiscal 1992												Fiscal 1993				
General Fund	State Special Revenue		Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total				
e.	Safe Drinking Water (Line Item)															
	625,017	303,823				928,840		622,756	302,363			925,119				
f.	Nonpoint Source Pollution (Line Item)															
		1,423,271				1,423,271			1,422,188			1,422,188				
g.	Ground Water -- EQC (Line Item)															
	101,494					101,494		99,903				99,903				
h.	Ground Water -- EQC Lawyer (Line Item)															
		46,378				46,378			45,590			45,590				
i.	Pay Exceptions -- Environmental Specialist (Line Item)															
~~7,647~~	42,983	75,215				~~425,845~~	7,516	45,023	73,969			~~126,508~~				
<u>7,036</u>						<u>125,234</u>	<u>6,436</u>					<u>125,428</u>				
j.	SB 136 -- Water Quality Districts (Line Item)															
	18,539					18,539		18,504				18,504				
6.	Health Services and Medical Facilities (06)															
~~476,282~~	45,753	230,678				~~752,743~~	469,155	45,455	231,110			745,720				
<u>474,831</u>						<u>751,262</u>										
a.	HB 445 -- Health Planning Specialist (Line Item)															
16,289						16,289	16,251					16,251				
7.	Family/Maternal and Child Health Bureau (07)															
~~101,985~~		15,082,316				~~15,184,301~~	141,272		14,859,001			~~14,960,273~~				
<u>97,985</u>						<u>15,180,301</u>	<u>97,272</u>					<u>14,956,273</u>				
a.	Child Nutrition (Line Item)															
		1,634,000				1,634,000			2,642,000			2,642,000				
b.	WIC (Line Item)															

Fiscal 1992			Fiscal 1993		
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

natural resources damage assessment and litigation against the atlantic richfield company (ARCO). Repayment of this loan is extended through the end of the 1993 biennium in accordance with 17-2-107. The repayment must include interest on the amount loaned at a rate commensurate with rates earned in the short-term investment pool.

The natural resource damage litigation program policy committee is formed to ensure cooperation and unity among the state's natural resource agencies in carrying out their responsibilities as representatives of the governor, who is the trustee of the state's natural resources. The policy committee shall guide and make natural resource damage litigation program policy recommendations. The appropriation of \$4,928,894 to continue the natural resources lawsuit against ARCO must be overseen by the policy committee, which consists of the following individuals or their designated representatives: the governor's energy and environmental policy advisor; the directors of the departments of health and environmental sciences and fish, wildlife, and parks; and the commissioner of the department of state lands. The attorney general or his designated representative may act in an advisory capacity to the natural resource damage litigation program policy committee.

Note of the appropriation for the licensing, certification, and construction bureau may be transferred to any other program in the department.

The legislative fiscal analyst is directed to recalculate the indirect cost assessments to department programs, using the following rates applied to 100% of personal services:

	FY 92	FY 93
General Rate	14.00%	12.00%
Environmental Sciences Division	3.00%	3.00%
Statewide Cost Allocation	3.75%	3.75%

Items 3e, 4e, and 5i may be used only to pay for the blanket "pay exception -- environmental specialist" class series and associated indirect costs, authorized by the department of administration on April 11, 1991.

~~Items 3f, 3g, 3h, and 3i are contingent on passage and approval of House Bill Nos. 987, 988, 989, and 994 respectively.~~

~~Item 4f is contingent on passage and approval of House Bill No. 660.~~

DEPARTMENT OF LABOR AND INDUSTRY (6602)

1. Job Service Division (01)	88,244	11,386,520	11,474,764	88,236	11,336,977	11,425,213
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	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
a.	Federal Economic Dislocated Worker Adjustment and Assistance/Trade Adjustment Assistance Program (Line Item)					
			247,869			247,869
b.	Jobs for Montana Graduates (Line Item)					
			126,517			126,517
2.	Unemployment Insurance (02)					
			3,741,488			3,741,488
a.	Unemployment Insurance Accounts Receivable (Line Item)					
			126,312			126,312
3.	Commissioner/Centralized Services (03)					
			2,711,023			2,711,023
a.	Audit (Line Item)					
			66,293			66,293
4.	Employment Relations (04)					
	434,423	1,359,095	680,030	389,277		2,862,825
	423,224					423,224
a.	Consideration of Investment Income -- HB 187 (Line Item)					
			44,438			44,438
b.	~~HB 342 -- Implementation (Line Item)~~					
			45,400			45,400
5.	Legal Services Division (06)					
		243,463	458,877	133,095		835,435
6.	Research, Safety, and Training (07)					
		727,437	2,027,353			2,754,790
7.	Human Rights Commission (08)					

	Fiscal 1992			Fiscal 1993			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	Other
283,438							
			101,470			384,908	101,463
a. Human Rights Backlog (Line Item)							
<u>44,267</u>						<u>44,267</u>	<u>37,322</u>
<u>16,461</u>						<u>16,461</u>	<u>8,690</u>
8. Workers' Compensation Judge (09)							
		356,165				356,165	355,643
9. Job Training Grants (50)							
			13,940,510			13,940,510	14,158,765
a. Project Work Program Contracts (Line Item)							
		286,145				286,145	286,145
b. Federal Economic Dislocated Worker Adjustment and Assistance/Trade Adjustment Assistance Grants (Line Item)							
			596,435			596,435	664,793
c. Job Training Partnership Act Funding (Line Item)							
			1,267,759			1,267,759	1,732,241
Total							
<u>762,128</u>	2,818,842	34,987,285	3,299,688			<u>41,867,943</u>	<u>35,597,246</u>
<u>723,123</u>						<u>41,828,938</u>	<u>42,286,976</u>
						<u>690,781</u>	<u>42,247,205</u>

All unappropriated revenue to and fund balance in the unemployment insurance administrative tax account is appropriated to a reserve fund for job service administrative costs, except amounts, up to \$100,000 per fiscal year, necessary to comply with federal requirements that a cost allocation plan for nonunemployment insurance tax collections be established. The amount of unappropriated funds for deposit into the reserve must be determined after all other unemployment insurance administrative tax appropriations are funded. The job service reserve fund must be maintained within the unemployment insurance administrative tax account. Interest earned on the job service reserve must be deposited into the job service reserve fund. Sufficient funds from the job service reserve are appropriated to the department to fund the job service federal fund appropriation in fiscal 1992 and fiscal 1993, contingent upon receipt of federal funds for the support of

Fiscal 1992			Fiscal 1993		
General Fund	State Special Revenue	Federal Special Revenue	General Fund	State Special Revenue	Federal Special Revenue
					Proprietary
			Total	Other	Total

job service functions that are less than the level received in fiscal 1991. Funds in the job service reserve may not be transferred to the unemployment insurance trust fund until January 30, 1993, except in the case that an amount is necessary to reduce the employer contribution schedule for the coming year. Any transfer prior to January 30, 1993, must be reviewed by the legislative finance committee.

The department, in concert with other interested parties, shall prepare formal guidelines for use of the unemployment insurance administrative tax funds and present these guidelines to the 53rd legislature. At a minimum, the guidelines must include a prioritization of programs and activities to be funded. The criteria for prioritization must include the following considerations:

- (1) loss of federal funding, impact on rural communities, and employer/employee-related functions; and
- (2) the establishment and maintenance of a reserve fund to ensure that employment security services continue in the event of federal fund reductions.

The department shall provide information to the 53rd legislature regarding the actual amount collected by the 3 FTE added to collect unemployment insurance accounts receivable.

The department is appropriated up to \$1 million each year from funds referred to in 39-71-502 and 39-71-901 to pay uninsured employer and subsequent injury benefits as required by 39-71-503 and 39-71-907.

Funds appropriated in item 1b must be distributed to the office of public instruction for administration of the jobs for Montana's graduates program.

~~Item 4 is increased by \$68,916 in fiscal 1992 and by \$70,143 in fiscal 1993 (state special revenue) if House Bill No. 837 is not passed into law.~~

~~Item 4a is contingent on passage and approval of House Bill No. 187.~~

~~Item 4b is contingent on passage and approval of House Bill No. 342.~~

~~Contingent on passage and approval of Senate Bill No. 228, the~~ The budget director shall increase item 8 by the amount necessary to bring the salary and benefits of the workers' compensation judge to the levels authorized by ~~Senate Bill No. 228~~ Chapter 656, Laws of 1991, less any increase provided for in the pay plan bill.

Funds appropriated in item 9c to replace federal fund reductions in Job Training Partnership Act (JTPA) programs statewide are one-time only funds and may be used only if and to the extent federal JTPA funds allocated to the state are less than the amount allocated in state fiscal year 1991. Unspent funds revert to the job service reserve fund in the unemployment insurance administrative tax account.

During fiscal 1993, the department is authorized to use unemployment insurance administrative tax funds appropriated for funding the JTPA as state matching funds for federal funds appropriated to the department of social and rehabilitation services for the job opportunities and basic skills (JOBS) program.

	Fiscal Year	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
The amount of unemployment insurance administrative tax funding for the jobs for Montana's graduates program may not be increased.								
DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES (6901)								
1.	Family Assistance (01)							
	a.	Food Stamp Employment and Training (Line Item)						
	b.	Day-Care Rate Increase (Line Item)						
	c.	Food Stamp Job Search Support (Line Item)						
	d.	Statewide Jobs Program (Line Item)						
	e.	AFCU/General Assistance at 42% of Federal Poverty Index (Line Item)						
	f.	Eligibility Determination Program (03)						
	g.	Administrative and Support Services (04)						
	h.	Audit (Line Item)						
	i.	Grant Writing (Line Item)						

The amount of unemployment insurance administrative tax funding for the jobs for Montana's graduates program may not be increased.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES (6901)

- [illegible]

	Fiscal 1992					Fiscal 1993						
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
4.	44,250	11,250	22,500			45,000	44,250	11,250	22,500			45,000
	0					33,750	0					33,750
Child Support Enforcement (05)												
		1,225,772	2,443,455			3,669,227		1,215,076	2,441,553			3,656,629
a. Contracted Employees (Line Item)												
		426,994	246,512			373,503		429,424	250,652			379,776
		109,756				356,268		101,511				352,163
b. Collection of Parental Contribution to Out-of-Home Care -- HB 993 (Line Item)												
		10,145	19,692			29,837		10,294	19,981			30,275
5. State-Assumed County Administration (06)												
606,151			500,578			1,106,729	606,639		500,752			1,107,391
							596,195					1,096,947
6. Medical Assistance (07)												
53,699,220	7,590,929	469,946,054				231,236,203	54,611,324	7,975,494	174,077,061			236,663,879
57,081,847		170,346,054				235,018,830	53,861,591		169,647,004			231,484,089
a. OBRA-90 (Line Item)												
438,298		1,025,486				1,463,784	1,477,222		3,257,934			4,735,156
282,998		631,829				914,827	1,169,322		2,470,104			3,639,426
b. Hospital Rate Study/Cost Containment (Line Item)												
292,080		142,080				434,160	191,300		41,300			232,600
c. Baby Your Baby (Line Item)												
		134,000	134,000			268,000						
d. Nurses' Aide Testing (Line Item)												
86,400			86,400			172,800	86,400		86,400			172,800

General Fund	Fiscal 1992			Total	General Fund	State Special Revenue	Fiscal 1993		Total
	State Special Revenue	Federal Special Revenue	Proprietary				Federal Special Revenue	Proprietary	
e.	Nursing Home Rate Rebate (Line Item)								
1,110,746		2,815,539		3,926,285	2,644,514		6,766,569		9,411,083
f.	Elderly Waiver Expansion (Line Item)								
74,888		189,827		264,715	100,134		256,216		356,350
g.	Residential Psychiatric (Line Item)								
		4,490,088		4,490,088			4,516,295		4,516,295
h.	Increase Ob/Gyn/Ped Physicians' Rates (Line Item)								
4,027,510		2,604,553		3,632,063	4,360,813		3,481,937		4,842,750
817,510		2,072,241		2,889,751	1,078,433		2,759,406		3,837,839
i.	Health Clinics Expansion (Line Item)								
18,388		46,612		65,000	18,265		46,735		65,000
j.	Ambulance Provider Increase (Line Item)								
139,729		354,189		493,918	138,791		355,127		493,918
k.	Pregnant Women Targeted Case Management (Line Item)								
139,484		353,566		493,050	138,574		354,572		493,146
l.	Provider Rate Increase (Line Item)								
3,181		8,068		11,249	6,354		16,258		22,612
m.	Operating Cost Implementation of SB 391 (Line Item)								
62,298		119,299		181,597	86,551		90,752		177,303
n.	Managed Care Benefit Costs of SB 391 (Line Item)								
					143,566		367,346		510,912

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
p o.	Targeted Case Management Benefits Costs for the Mentally Ill -- SB 391 (Line Item)					
			1,510,752			1,510,752
q p.	Federal Medicaid Reimbursement for State Institutions -- HB 93 (Line Item)					
			104,334			104,334
7.	Audit and Program Compliance Division (08)					
	578,770	7,445	809,479			1,395,694
	575,770					575,770
8.	Office of Management, Analysis, and Systems (09)					
	1,860,054	534,238	3,083,450	1		5,477,743
	1,697,497		2,933,450			5,165,186
a.	TDD Project Implementation (Line Item)					
		67,072				67,072
b.	TEAMS Operations (Line Item)					
	438,795					438,795
c.	SEARCHS Operations (Line Item)					
		396,337	3,567,031			3,963,368
		196,337	2,433,698			2,630,035
9.	Vocational Rehabilitation Program (10)					
	970,616	688,058	6,416,932			8,075,606
	965,693					965,693
a.	JTPA Administration (Line Item)					
			15,000			15,000
b.	Provider Rate Increase (Line Item)					
	51,952		199,957			251,909
						104,422
						401,908
						15,000
						506,330

	Fiscal 1992				Fiscal 1993			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue
c. JTPA Additional Training (Line Item)								
			25,000			25,000		25,000
d. Program Expansion (Line Item)								
	155,455					155,455	155,455	
10. Disability Determination Program (11)								
			2,655,318			2,655,318	2,654,349	2,654,349
11. Visual Services Program (13)								
	281,858	968,316				1,250,174	281,653	967,493
	<u>280,319</u>					<u>1,248,635</u>	<u>279,374</u>	<u>1,246,867</u>
a. Provider Rate Increase (Line Item)								
	7,204	21,654				28,858	14,476	43,520
12. Developmental Disabilities Program (14)								
	9,243,088	16,042,689				25,285,777	9,277,332	15,975,818
	<u>9,206,205</u>					<u>25,248,894</u>	<u>9,265,498</u>	<u>25,241,316</u>
a. Provider Rate Increase (Line Item)								
	931,226	328,892				1,260,118	1,916,428	676,848
b. Program Expansion (Line Item)								
	481,779	467,434				649,210	181,779	467,431
	<u>95,483</u>	<u>245,527</u>				<u>341,010</u>		
c. DD System Phase IV Implementation (Line Item)								
	725,745	568,430				1,294,175	4,243,334	1,517,728
							<u>813,331</u>	
d. DD System Phase I and II Implementation (Line Item)								
	391,794	762,564				1,154,358	389,156	761,753
								1,150,909

	Fiscal 1992				General Fund	Total	State Special Revenue	Fiscal 1993		Other	Total
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary				Federal Special Revenue	Proprietary		
e. DD Part H Expansion (Line Item)											
597,059	597,059		244,627		897,059	841,686		244,627			1,141,686
477,059	477,059		364,627								
f. Increased Title XIX Funding (Line Item)											
			500,000		500,000	500,000		500,000			500,000
g. Montana Youth Initiative (Line Item)											
			86,000		86,000	86,000		86,000			86,000
h. Chapter I OPI DD Treatment (Line Item)											
			90,000		90,000	90,000		90,000			90,000
i. OBRA-87 (Line Item)											
					296,516			762,470			1,058,986
13. Developmental Disabilities Advisory Council (15)											
			304,696		304,696	304,696		304,672			304,672
a. DDPAC Grant Increased Administration (Line Item)											
			9,977		9,977	9,977		10,004			10,004
b. DDPAC Grant Increased Benefits (Line Item)											
			32,500		32,500	32,500		32,500			32,500
14. Budget Reduction (Line Item)											
					100,000	50,000					100,000
50,000											
Total											
93,232,586	14,266,244	278,470,680		2	401,008,975	385,999,512	14,444,050	293,903,883	1		409,356,009
97,432,602	14,161,188	280,214,872			99,646,029	391,808,664	14,497,079	289,062,850			403,205,959

The department is authorized to retain 7.5% of the federal community services block grant and pass through the remaining 92.5% to the human resource

Fiscal 1992				Fiscal 1993			
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	General Fund	State Special Revenue	Federal Special Revenue	Proprietary
Total				Total			
Other				Other			
Total				Total			

development councils (HRDC). If, during fiscal 1992 or fiscal 1993, the block grant falls below the federal fiscal year 1990 grant level, the department shall retain only 5% and pass through the remaining 95% to the HRDCs.

Item 1b is funding for rate increases to day-care providers. Beginning October 1, 1991, the department shall increase day-care provider rates up to 75% of the "local market rate" (the maximum allowed under federal regulations). If federal regulations permit the use of funds from the new "child care and development block grant" for these increases, the department shall decrease the general fund appropriations by the amount of block grant funds available.

Item 1e is additional funding to set AFDC and general assistance payment levels at 42% of the federal poverty index.

The department may, beginning October 1, 1991, pay AFDC recipients a transition-to-work allowance. The allowance may be used for travel and relocation expenses of the recipient and family to another county or state. AFDC recipients are eligible to receive this allowance under rules adopted by the department. The rules may establish limitations on the amount to be paid and require that the recipient have verification of employment, an employment interview, or acceptance into an approved educational or training program. Expenses for a transition-to-work allowance may be paid from the appropriation for AFDC benefits.

The department is authorized to use federal funds appropriated for the job opportunities and basic skills (JOBS) program to match general fund money available within the department and unemployment insurance administrative tax funds appropriated to the department of labor and industry for funding the Job Training Partnership Act (JTPA).

The state share of the AFDC-related support collections and all AFDC and non-AFDC federal incentive payments must be deposited in a state special revenue account from which the state's share of the administrative and operational costs of the child support enforcement program must be paid. The legislature intends that, during the 1993 biennium, the department collect \$1.25 for each \$1 expended for administrative and operational costs from the account. Expenditures made from the account for state medicaid match or development of the SEARCHS computer project are not considered administrative or operational expenditures for purposes of this requirement. ~~Any cash fund balance in excess of \$500,000 in the state special revenue account at the end of each fiscal year must be deposited in the state general fund.~~ The department shall transfer to the general fund from the child support enforcement account all cash balance remaining at the end of fiscal 1992. Any cash balance in the account in excess of \$500,000 at the end of fiscal 1993 must be deposited in the general fund.

The department is authorized to transfer funds among appropriations for medicaid primary care, medicaid nursing care, medicaid buy-in, state medical, and the home and community-based waiver program. Except as provided below, funds transferred to the medicaid waiver program may not be used to increase the number of recipients receiving waiver services but must be used solely for covering cost increases above the appropriated level.

The department may utilize funds appropriated for medicaid nursing care to increase the number of recipients in the home and community-based waiver program

Fiscal 1992			Fiscal 1993		
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
			Special Revenue	Proprietary	Total

during the 1993 biennium under the following conditions:

- (1) During the 1993 biennium, no more than 25 nursing residents who are appropriate for waiver services may be transferred from nursing facilities to the waiver program.
- (2) Per diem waiver costs for residents moved from nursing facilities may not exceed the statewide average medicaid per diem cost of intermediate nursing care.
- (3) The department shall keep records of each resident transferred under this provision and submit to the 53rd legislature a report on the number of residents transferred and any cost savings achieved as a result of the transfers.

The legislature intends that expenditures for all executive budget modifications for provider rate increases approved by the legislature be limited to dollar amounts appropriated rather than percentage increases on which the original estimates may have been based. The department will be in compliance with this provision if:

- (1) it estimates total costs for each medicaid service category in June, prior to the beginning of each fiscal year of the 1993 biennium; and
 - (2) the percentage increases or base adjustments approved by the department are limited to the dollar amount appropriated for each budget modification.
- The department may not expand or reduce the amount, scope, or duration of benefits provided to recipients under the medicaid primary care or nursing care programs during the 1993 biennium unless Title XIX of the federal Social Security Act is amended to require expansion or reduction of benefits as a condition of the state receiving federal financial participation. This provision may not be construed to prohibit the department from implementing coverage provided in 53-6-101(3)(1).

~~The appropriation in item 6a is contingent on passage and approval of House Bill No. 93.~~

The rate increases in items 6e and 6h are funded beginning October 1, 1991. ~~The rate increase in item 6j is funded beginning October 1, 1992.~~

Upon final determination of all general fund money in the department's unreconciled special revenue fund balance (in the approximate total amount of \$2,530,153) and the deposit of these funds in the general fund, \$438,795 in fiscal 1992 and \$485,182 in fiscal 1993 are appropriated to fund the additional general fund costs of the TEAMS project in item 8b. Any funds remaining in the special revenue fund to which the state is entitled must be deposited in the general fund.

However, if a subsequent reconciliation concludes that funds transferred from the unreconciled account to the general fund belong to the federal government, the department may request a general fund supplemental appropriation to repay the federal funds.

~~House Bill No. 93 requires Chapter 707, Laws of 1991, required the department to transfer all money in the federal special revenue account (number 03143)~~

	Fiscal 1992			Fiscal 1993							
	General Fund	State Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
associated with the former department of community affairs grant closeouts reported in the April 1990 legislative audit report. If House Bill No. 903 is passed and approved, a subsequent reconciliation of this account concludes that any of the funds transferred from the account to the general fund belong to the federal government, the department may request a general fund supplemental appropriation to repay the federal funds.											
It is the intent of the legislature that annualized expenses for operation of SEARCHS not exceed \$1,500,000. This amount includes expenses for any facilities management contracting that may be utilized for system operations, computer processing costs directly associated with operation of the system, and other personal services and nonpersonal services costs directly charged to the management and operation of the system. The department may not proceed with development of SEARCHS until it has demonstrated to the satisfaction of the governor's office of budget and program planning and to the legislative finance committee that the projected annualized operational costs of the system will not exceed the limit imposed in this statement of intent.											
Item 9b is funding for a 4.5% rate increase each year of the 1993 biennium to providers of vocational rehabilitation services.											
Item 11a is funding for a 4.5% rate increase each year of the 1993 biennium to providers of visual services.											
The department is authorized to transfer funds between appropriations for the vocational rehabilitation and visual services programs.											
Item 12a is funding for a 4.5% rate increase each year of the 1993 biennium to providers of developmental disabilities services.											
The department may pursue funding under the federal ICF/MR program for additional intensive service slots funded by the 1991 legislature if the federal government fails to approve adequate medicaid waiver funding under the home and community-based waiver program.											
DEPARTMENT OF FAMILY SERVICES (6911)											
1.	Management Support (01)										
	14,806	535,741			2,221,792	1,670,776	14,784	527,236			2,212,796
	<u>1,616,806</u>				<u>2,167,353</u>	<u>1,591,661</u>					<u>2,133,681</u>
a.	Audit (Line Item)										
	62,036		38,982		101,018						
b.	Management Information System (Line Item)										
	80,037		8,893		88,930						
c.	Management Increases (Line Item)										
	109,849		81,583		191,432	102,829		75,227			178,056

		Fiscal 1992				Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
d.	Division Directors (Line Item)										
40,082		7,073			47,155	37,789		6,669			44,458
2.	Community Services (02)										
~~19,705,863~~	2,607,131	~~42,097,033~~			~~34,410,027~~	20,227,881	2,614,818	~~42,178,127~~			~~35,020,826~~
<u>21,330,914</u>		<u>12,468,661</u>			<u>36,406,706</u>	<u>19,594,866</u>		<u>12,578,786</u>			<u>34,788,470</u>
a.	Child Care and Development Block Grant (Line Item)										
		2,373,287			2,373,287			2,641,716			2,641,716
b.	Staff Increases (Line Item)										
233,293		41,169			274,462	224,699		39,653			264,352
c.	Montana Developmental Center Phases I and II SSI (Line Item)										
27,072					27,072	27,072					27,072
d.	Montana Developmental Center Phase IV Child Placement (Line Item)										
42,435		107,565			150,000	84,300		215,700			300,000
e.	Montana Developmental Center Phase IV Case Management (Line Item)										
29,664		51,546			81,210	29,665		51,535			81,200
f.	Montana Developmental Center Phase IV SSI (Line Item)										
19,740					19,740	53,580					53,580
g.	Youth Treatment Services (Line Item)										
~~1,770,656~~					~~1,770,656~~	~~1,764,354~~					~~1,764,354~~
<u>1,170,737</u>					<u>1,170,737</u>	<u>1,599,095</u>					<u>1,599,095</u>
h.	Field Equipment (Line Item)										
20,000					20,000	20,000					20,000
i.	Native American Services (Line Item)										
280,863		711,937			992,800	278,977		713,823			992,800

j. SB 37 -- Aftercare Services (Line Item)

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
5,105						33,613
3. Mountain View (03)						
1,964,695	3,134	103,807				2,088,706
a. Staff Increases (Line Item)						
34,902						33,675
4. Pine Hills School (04)						
3,205,244	314,045	303,489				3,822,778
a. Industries Program (Line Item)						
	6,000					6,000
b. Staff Increases (Line Item)						
61,757						61,707

Total

29,364,538	2,945,116	46,462,405	48,771,759	29,852,783	2,958,917	46,856,907	49,668,607
30,335,231		16,833,733	50,114,080	28,975,394		17,257,566	49,191,877

Item 1b is a biennial appropriation.

The department shall submit to the 53rd legislature a report detailing the numbers of developmentally disabled (DD) clients served by the department in fiscal 1992 and the actual fiscal 1992 general fund and federal fund expenditures for that service.

The department may provide DD targeted case management through increases in staff, or it may contract for the targeted case management services. The department may transfer the targeted case management program for the developmentally disabled to the department of social and rehabilitation services during the 1993 biennium.

Included in item 2 is a general fund appropriation of \$38,708 in fiscal 1992 and \$58,083 in fiscal 1993 for increases to day-care providers. Beginning October 1, 1991, the department shall increase day-care provider rates up to 75% of the "local market rate" (the maximum allowed under federal regulations). If

Fiscal 1992				Fiscal 1993			
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	General Fund	State Special Revenue	Federal Special Revenue	Proprietary
			Other	Total			Other
							Total

federal regulations permit the use of funds from the new "child care and development block grant" for these increases, the department shall decrease the general fund appropriations by the amount of block grant funds available.

In item 2a, the department is appropriated federal funds of \$2,373,287 in fiscal 1992 and \$2,641,716 in fiscal 1993 for improving the availability and quality of day care. The department shall issue a report to the 53rd legislature detailing the numbers and types of services provided and the actual fiscal 1992 expenditures for those services.

In item 2g, at least \$1.3 million for the biennium must be reserved for residential treatment services.

In item 2i, the department may use the funds to contract for direct services on reservations or pay for placement services.

The continuum of service plan is to be presented to the legislative finance committee during calendar 1991 for its review and comment. After review by the committee and consideration of recommendations and upon implementation of the plan, all funds are to be spent in accordance with the plan. The goal of the plan is to develop a comprehensive child welfare service system by July 1, 1993. The system must include but not be limited to family-based services, foster care, therapeutic foster care, group care, residential treatment, and psychiatric hospitalization for youth. Funds appropriated for the youth foster care program may not be transferred to the medicaid program administered by the department.

~~The personal services reduction may not be applied to social workers in the community services program of the department.~~

TOTAL SECTION 8

426,065,896	32,873,438	364,312,590	4,743,415	528,895,339	435,191,678	27,878,735	381,337,352	4,572,240	548,080,005
131,817,569	32,875,377	366,428,410		535,864,771	132,519,940	28,095,291	376,896,978		542,084,449

		Fiscal 1992				Fiscal 1993					
		General Fund	State Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Proprietary	Other	Total
C. NATURAL RESOURCES											
PUBLIC SERVICE REGULATION (4201)											
1.	Public Service Regulation Program (01)	1,791,853	25,137	19,397		1,836,387	1,806,581	25,113	19,380		1,851,074
	a. Audit (Line Item)	15,784				15,784					
	b. Consultants (Line Item)	50,000				50,000					
	c. Travel and Registration (Line Item)	25,000				25,000					
	d. Exempt Positions Salaries (Line Item)	14,400				14,400	14,400				14,400
	e. Public Service Commission Relocation -- SB 164 (Line Item)	176,310				176,310	108,120				108,120
	f. Regulation of Log Hauling -- HB 192 (Line Item)	23,639				23,639	20,027				20,027

Total

2,096,986	25,137	19,397	2,141,520	1,949,128	25,113	19,380	1,993,621
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Items 1b and 1c are biennial appropriations.

DEPARTMENT OF FISH, WILDLIFE, AND PARKS (5201)

1. Management Services Division (01)

1,184,123	471,048	1,845,483	3,500,654	1,231,525	469,542	1,839,404	3,540,471
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a. Audit (Line Item)

53,666

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
b.	Legislative Contract Authority (Line Item)											
			65,000			65,000			65,000			65,000
c.	Fiscal Management Position (Line Item)											
		33,801				33,801		32,425				32,425
d.	Vehicle Account (Line Item)											
				163,000		163,000				169,000		169,000
2.	Field Services Division (02)											
		2,139,230	451,282	106,137		2,696,649		2,158,078	457,296	101,115		2,716,489
a.	Block Management (Line Item)											
		170,581				170,581		170,469				170,469
b.	Fishing and Motorboat Access (Line Item)											
		9,880	29,642			39,522		9,863	29,591			39,454
c.	Microcomputer Support (Line Item)											
		30,731				30,731		30,665				30,665
d.	Block Management -- Executive Planning Process (Line Item)											
		234,494				234,494		234,496				234,496
e.	Game Damage (Line Item)											
		50,000				50,000		75,000				75,000
f.	Sporting Information (Line Item)											
		17,000				17,000		17,000				17,000
g.	License Agent Commissions (Line Item)											
		10,300				10,300		97,300				97,300
h.	Development and Maintenance of Department Property (Line Item)											
		60,000				60,000		60,000				60,000
i.	Computerize Land Records (Line Item)											

	General Fund	Fiscal 1992				Total	General Fund	State Special Revenue	Federal Special Revenue	Fiscal 1993	
		State Special Revenue	Federal Special Revenue	Proprietary	Other					Proprietary	Other
		35,000				35,000					35,000
j.		Cherry Creek Reservoir (Line Item)									
		100,000	50,000			150,000					
k.		License Drawings -- HB 91 (Line Item)									
		9,864				9,864		7,297			7,297
3.		Fisheries Division (03)									
a.		Water Leasing Study (Line Item)			18,600	4,688,054		2,367,417	2,130,525		4,497,942
				60,000		60,000					
b.		Legislative Contract Authority (Line Item)									
			1,245,000			1,245,000			1,505,000		1,505,000
c.		Missouri Basin Reservations (Line Item)									
		41,706	125,120			166,826					
d.		Streambank Projects (Line Item)									
		10,000	31,000			41,000		10,000	31,000		41,000
e.		USFS Fisheries Data Project (Line Item)									
		13,958	41,873			55,831		14,233	42,700		56,933
f.		Evaluate Fish Population (Line Item)									
		27,060	81,180			108,240		27,051	81,152		108,203
g.		Fishing and Motorboat Access (Line Item)									
		8,006	24,017			32,023		8,089	24,264		32,353
h.		Flathead Lake Fishery (Line Item)									
		5,785	17,354			23,139		5,971	17,911		23,882
i.		Clark Fork River Investigation (Line Item)									
		12,318	36,953			49,271		12,317	36,952		49,269

	Fiscal 1992					Fiscal 1993						
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
j.	Fish Hatchery Operations (Line Item)											
		13,750	41,250			55,000		13,750	41,250			55,000
k.	Evaluation of Fish Introductions -- HB 576 (Line Item)											
		18,750	56,250			75,000						
l.	Paddlefish Roe -- HB 115 (Line Item)											
		26,000				26,000		26,000				26,000
m.	Water Measuring Devices -- HB 908 (Line Item)											
		7,250				7,250		21,750				21,750
4.	Law Enforcement Division (04)											
		3,958,760	190,882			4,149,642		3,991,839	190,713			4,182,552
a.	Legislative Contract Authority (Line Item)											
			40,000			40,000			40,000			40,000
b.	Special Investigations (Line Item)											
		110,580				110,580		110,547				110,547
c.	Enforcement Relocation (Line Item)											
		27,000				27,000		27,000				27,000
5.	Wildlife Division (05)											
		2,500,661	2,288,629			4,789,290		2,519,720	2,306,357			4,826,077
a.	Upland Game Birds (Line Item)											
		1,853,386				1,853,386						
b.	Legislative Contract Authority (Line Item)											
			1,404,500			1,404,500			1,331,500			1,331,500
c.	Sun River Game Management Area (Line Item)											
		35,000				35,000						
d.	Habitat/Timber Sales Plans (Line Item)											

		Fiscal 1992			Fiscal 1993						
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	16,250				16,250		16,250				16,250
e.	Canyon Ferry Wildlife Management Area (Line Item)										
	7,404				7,404		7,398				7,398
f.	Helicopter Rental (Line Item)										
	45,300	45,300			90,600		45,300	45,300			90,600
g.	Upland Game Bird Increase (Line Item)										
	125,000				125,000						
h.	Development and Maintenance of Real Property -- SB 252 (Line Item)										
	532,026				532,026						
6.	Parks Division (06)										
~~54,699~~	3,378,402	289,215	256,913		~~3,924,530~~	~~54,700~~	3,405,876	289,122	271,732		~~4,021,430~~
<u>50,323</u>					<u>3,974,853</u>	<u>50,324</u>					<u>4,017,054</u>
a.	Land and Water Conservation Fund (Line Item)										
	700,000				700,000						
b.	Legislative Contract Authority (Line Item)										
	25,000				25,000			25,000			25,000
c.	Park Futures Committee (Line Item)										
~~368,356~~					~~368,356~~	~~368,364~~					~~368,364~~
<u>338,273</u>					<u>338,273</u>	<u>337,903</u>					<u>337,903</u>
d.	Fishing Access Maintenance (Line Item)										
	49,549				49,549		49,550				49,550
e.	Capitol Grounds Maintenance (Line Item)										
			27,265		27,265				27,258		27,258
f.	Off-Highway Vehicles -- HB 309 (Line Item)										
	98,580				98,580		98,580				98,580

	Fiscal 1992			Total	General Fund	Fiscal 1993			Total	Other	Total
	General Fund	State Special Revenue	Federal Special Revenue			State Special Revenue	Federal Special Revenue	Proprietary			
7. Conservation Education Division (08)											
a. Shooting Ranges (Line Item)	1,237,193		149,842	1,387,035		1,241,942	156,244		1,398,186		
	150,049			150,049							
b. Legislative Contract Authority (Line Item)											
			30,000	30,000			30,000		30,000		
c. Watchable Wildlife (Line Item)											
	29,333			29,333		29,334			29,334		
d. Aquatic Education (Line Item)											
	2,748	8,244		10,992		2,748	8,244		10,992		
e. Update Hunter Education (Line Item)											
	6,250	18,750		25,000		6,250	18,750		25,000		
f. Off-Highway Vehicles -- HB 309 (Line Item)											
	10,900			10,900		10,900			10,900		
8. Administration (09)											
a. Legislative Contract Authority (Line Item)	1,608,450		552,491	2,160,941		1,597,938	550,990		2,148,928		
b. Legal Services -- Executive Planning Process (Line Item)											
			100,000	100,000			100,000		100,000		
c. Tribal Relations (Line Item)	33,798			33,798		33,801			33,801		
	40,000			40,000		40,000			40,000		
d. Interagency Support (Line Item)											
	25,000			25,000		25,000			25,000		
e. Geographic Information System (Line Item)											

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
f. Regional Offices Support (Line Item)		50,000				50,000
						40,000
g. Sikes Act (Line Item)		75,000				75,000
		150,000	20,000			170,000
h. Predator Control (Line Item)						
		20,000				20,000
i. Legal Services (Line Item)						
		12,300				12,300
Total						
423,655	23,019,435	10,852,012	2,398,798	18,600	36,711,901	2,408,509
388,596				423,664	10,024,403	32,928,945
				388,227		32,894,108

Items 2j, 3a, 3c, 3k, 5a, 5c, 5g, 5h, 6a, 7a, and 8g are biennial appropriations.

If the department receives private funds, it may increase its state special revenue appropriation and decrease its federal revenue appropriation by like amounts.

The appropriation for the legislative contract authority in items 1b, 3b, 4a, 5b, 6b, 7b, and 8a is subject to the following provisions:

- (1) Legislative contract authority applies only to federal and private funds.
- (2) Legislative contract authority expenditures must be reported on state accounting records. The records must be separate from current level operations.
- (3) A report must be submitted by the department to the legislative fiscal analyst following the end of each fiscal year of the biennium. The report must include a listing of projects, with the related amount of expenditures for each project.

The department shall conduct a study of the options and methods available for allocating administrative costs to the various state special revenue funds managed by the agency. The department shall present the findings of its study to the legislative finance committee by July 1, 1992, along with its recommendation, affected accounts, and any required statute changes.

Item 2f contains \$17,000 a year to develop informational displays for use by license agents, and item 2g contains \$10,300 in fiscal 1992 and \$97,300 in

Fiscal 1992			Fiscal 1993		
General Fund	State Special Revenue	Federal Special Revenue	General Fund	State Special Revenue	Federal Special Revenue
					Proprietary
			Total	Other	Total

fiscal 1993 for increases in license agents' commissions. ~~The expenditures of these appropriations are contingent on the enactment of Senate Bill No. 171, Senate Bill No. 171 increases Chapter 592, Laws of 1991, increased certain fishing and hunting license fees.~~

Item 2h contains \$60,000 a year from the general license account for development and maintenance of wildlife management areas, waterfowl projects, parks, and fishing access sites. This appropriation is reduced by the amount of funds Senate Bill No. 252, if enacted, provides Chapter 319, Laws of 1991, provided the general license account for the management of wildlife management areas. Senate Bill No. 252 revises Chapter 319, Laws of 1991, revised allocation of funds for development and maintenance of wildlife habitat.

Item 3 contains \$18,600 in fiscal 1992 to contract with the U.S. fish and wildlife service to raise Kokanee salmon fingerlings at the Creston national fish hatchery. If a second raceway shelter at the Creston national fish hatchery is not purchased, this appropriation is reduced by \$8,220.

Item 3i contains \$50,042 in fiscal 1992 and \$50,040 in fiscal 1993, appropriated for aquatic resource data collection on the Upper Clark Fork River in connection with the state's resource damage assessment suit against ARCO. The department shall present to the 53rd legislature the results of this project. In preparing the 1995 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base. In the litigation, the state shall seek reimbursement for all expenses incurred by the department associated with the assessment and litigation. Reimbursement must include interest on the amount commensurate with rates earned in the short-term investment pool.

Item 4c contains \$27,000 a year for employee relocation expenses. The department shall present the 53rd legislature with a report on historical expenditures for employee relocation. In preparing the 1995 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base.

Item 6 contains \$246,266 from federal funds and \$55,000 from the general fund in fiscal 1992 and \$246,173 from federal funds and \$55,000 from the general fund in fiscal 1993 for the Montana conservation corps. It is the intent of the legislature that the department provide a liaison position to coordinate this program with the human resource development council.

Item 8 contains \$5,500 in fiscal 1992 to print the department's 5-year strategic plan. In preparing the 1995 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base.

Item 8e contains \$50,000 in fiscal 1992 and \$40,000 in fiscal 1993 for a pilot project to evaluate potential uses of a geographic information system within the department. In preparing the 1995 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base.

Fish, wildlife, and parks commission commissioners cannot be flown to or from fish, wildlife, and parks commission meetings in state-owned aircraft unless

	Fiscal 1992				Fiscal 1993			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue
<u>documented cost savings over other transportation options can be achieved.</u>								
DEPARTMENT OF STATE LANDS (5501)								
1. Central Management Program (01)								
4,435,854	97,627	112,654	188,024	1,834,459	1,436,785	95,037	112,596	185,611
<u>1,374,154</u>				<u>1,772,459</u>	<u>1,379,585</u>			<u>1,830,020</u>
a. Audit (Line Item)								<u>1,772,829</u>
41,038				41,038				
b. Trust Land Access (Line Item)								
<u>300,000</u>				<u>300,000</u>				
<u>250,000</u>				<u>250,000</u>				
c. Helena Office Support Staff (Line Item)								
16,451	31,796			48,247	16,350	31,796		48,146
d. Royalty Auditor Travel Expense (Line Item)								
	10,469			10,469		10,469		
e. Revised Lease for Office Space (Line Item)								
82,992				82,992	82,992			82,992
2. Reclamation Program (03)								
299,465	626,141	8,589,719		9,515,325	296,430	630,754	8,589,223	9,516,407
<u>274,691</u>				<u>9,490,551</u>	<u>270,767</u>			<u>9,490,744</u>
a. Opencut Bond Forfeiture (Line Item)								
	100,000			100,000				
b. Hard-Rock Reclamation (Line Item)								
	100,000			100,000				
c. Hard-Rock Bond Forfeiture (Line Item)								
	100,000			100,000				

	General Fund	Fiscal 1992			Total	General Fund	Fiscal 1993			Other	Total
		State Special Revenue	Federal Special Revenue	Proprietary			State Special Revenue	Federal Special Revenue	Proprietary		
d.		Environmental Analysis (Line Item)									
		3,000,000			3,000,000						
e.		Coal Bureau Workload (Line Item)									
		47,176	97,199		144,375		51,039	104,628			155,667
f.		Abandoned Mine Rent (Line Item)									
			17,784		17,784			17,784			17,784
g.		Hard-Rock Workload (Line Item)									
		123,609			123,609		116,747				116,747
h.		Coal and Uranium Rent (Line Item)									
		5,335	12,449		17,784		5,335	12,449			17,784
i.		Hard-Rock Increase (Line Item)									
		100,000			100,000		100,000				100,000
j.		Environmental Compliance (Line Item)									
		129,289			129,289		106,190				106,190
k.		SB 253 -- Opencut Reclamation (Line Item)									
		15,500			15,500		15,500				15,500
3.		Land Administration Program (04)									
		703,422	255,640		958,762	702,276	255,819				958,445
		<u>661,122</u>			<u>916,762</u>	<u>687,276</u>					<u>943,095</u>
a.		Trust Land Management (Line Item)									
		90,629			90,629	115,923					115,923
b.		Cabinsite Sales (Line Item)									
		70,000			70,000						
4.		Forestry (25)									
		2,963,314	385,005		3,348,319	5,708,882	2,962,595	335,266			9,006,743
		<u>5,742,977</u>			<u>9,064,296</u>	<u>5,708,882</u>					<u>9,056,743</u>

General Fund	Fiscal 1992			Fiscal 1993		
	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	Other
<u>5,396,740</u>						
a.		Federal Fire Reimbursement (Line Item)				
		400,000			8,745,059	5,406,382
		44,000			44,000	
b.		State/County Cooperative Fire (Line Item)				
43,040	21,517				64,557	42,670
c.		Slash Increase (Line Item)				
	31,384				31,384	31,385
d.		Urban Forestry Assistance (Line Item)				
		156,759			156,759	156,764
e.		Forest Resource Management Program (Line Item)				
		336,974			336,974	259,465
f.		Best Management Practices Audit (Line Item)				
10,000					10,000	
g.		Block 5 and Philipsburg Fire (Line Item)				
67,425	33,712				101,137	68,458
h.		Best Management Practices Work (Line Item)				
23,435					23,435	23,437
i.		Forestry Capital Equipment (Line Item)				
100,383	42,117				142,500	142,500
j.		HB 731 -- Streamside Management Zones (Line Item)				
52,463					52,463	37,018
k.		Fire Supplemental (Line Item)				
<u>5,573,650</u>					<u>5,573,650</u>	

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

Total	8,979,274	7,904,626	9,808,543	188,024	26,880,467	23,065,734
	14,058,213		9,752,543		31,903,406	22,609,371

The ~~\$300,000~~ \$250,000 general fund appropriation in item 1b is to be used for an economic study ~~(\$250,000)~~ (\$200,000) of the surface uses of state lands, with emphasis on recreation uses, and for startup costs (\$50,000) of the recreational access program mandated in ~~House Bill No. 778~~ Chapter 609, Laws of 1991. The study of recreational uses must be performed by an economist with experience in analysis of the economic value of recreation.

Items 2a through 2d, 3b, and 4f are biennial appropriations.

The department shall conduct a study of the options and methods available for allocating administrative costs to the various state special revenue funds managed by the agency. The department shall present the findings of its study to the legislative finance committee by July 1, 1992, along with its recommendation, affected accounts, and any required statute changes.

Item 2i contains \$100,000 a year for the hard-rock increase modification. ~~This appropriation is contingent on enactment of House Bill No. 448.~~

The legislature recommends that the board of land commissioners amend its cabinsite rules to require lessees who apply for sale of their cabinsites to reimburse the department for all expenses it incurs in processing the sale applications.

Item 2k grants spending authority to implement ~~Senate Bill No. 253 and is contingent on passage and approval of~~ Senate Bill No. 253 Chapter 431, Laws of 1991.

Item 4 contains \$24,400 a year from the general fund to provide training and materials on best management practices to loggers and forest landowners. If federal funds are received for this purpose, the general fund appropriation must be reduced by a like amount.

Item 4d contains \$173,100 a year of federal funds for the urban forestry assistance program. The department shall emphasize replacing dead, diseased, and infected trees in Montana communities. Replacement trees that are adapted to and will survive in Montana must be used.

Item 4f contains \$10,000 in fiscal 1992 as a biennial appropriation to coordinate and conduct, in consultation with the environmental quality council, audits of the application and effectiveness of voluntary best management practices for timber sales.

~~Item 4j is contingent on passage and approval of House Bill No. 731.~~

Federal fire reimbursement funds are those funds received for expenses incurred from loaning department personnel to federal agencies to assist in fire suppression activities. Only those federal funds received as reimbursement of expenses credited against the department's state forestry operational budget are considered federal fire reimbursement funds. All other federal funds received must be deposited into the general fund. The department shall report federal fire

Fiscal 1992							Fiscal 1993				
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
reimbursement expenditures on state accounting records, and the records must be separate from current level operations.											
DEPARTMENT OF LIVESTOCK (5603)											
1. Centralized Services Program (01)											
82,794	352,967	48,170			453,931	82,714	352,623	48,135			453,472
62,794		38,170				62,714		38,135			
a. Audit (Line Item)											
3,899	16,620				20,519						
2. Diagnostic Laboratory Program (03)											
314,947	453,215				768,162	314,978	453,263				768,241
269,947	498,215										
3. Disease Control Program (04)											
	482,783				482,783		483,794				483,794
4. Milk and Egg Program (05)											
150,313		30,707			181,020	149,680		31,268			180,948
5. Inspection and Control Program (06)											
	2,095,424				2,095,424		1,981,982				1,981,982
a. Livestock Workload Increase (Line Item)											
	53,861				53,861		53,794				53,794
6. Predator Control Program (08)											
	374,162				374,162		272,266				272,266
a. Section 8 (Line Item)											
	20,000				20,000		20,000				20,000
7. Rabies Control (09)											
	15,000				15,000		15,000				15,000
8. Meat and Poultry Inspection Program (10)											

reimbursement expenditures on state accounting records, and the records must be separate from current level operations.

DEPARTMENT OF LIVESTOCK (5603)

- [illegible]

	Fiscal 1992			Fiscal 1993			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	Proprietary
	225,720		225,721		225,510	451,441	225,510
Total							451,020
	~~777,673~~	~~3,864,032~~	~~274,598~~		~~274,943~~	4,916,303	~~274,943~~
	~~712,673~~	~~3,909,032~~	~~294,598~~		~~294,913~~		~~294,913~~
DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION (5706)							
1. Centralized Services (21)							
	~~1,236,640~~	390,391	4,391			4,631,422	390,121
	~~1,192,924~~					~~1,587,706~~	~~1,218,000~~
a. Audit (Line Item)							
	42,617					42,617	
b. State of Montana, et al. v. United States Army Corps of Engineers, et al. (Line Item)							
	25,000					25,000	
2. Oil and Gas Regulation (22)							
		1,151,230				1,151,230	1,136,578
a. Oil and Gas Environmental Impact Statement -- Montana Environmental Policy Act Compliance (Line Item)							
		50,000				50,000	50,000
3. Conservation and Resource Development Division (23)							
	~~75,935~~	~~985,674~~	54,765			~~1,116,374~~	~~987,190~~
	~~299~~	~~1,052,194~~				~~1,107,258~~	~~1,053,717~~
a. Statewide Resource Conservation and Development Coordinator (Line Item)							
	14,470		14,471			28,941	14,438
b. Statewide Resource Conservation and Development Operating Expenses (Line Item)							
	19,887		19,887			39,774	
c. ~~HB 795 -- Montana Community Infrastructure Program (Line Item)~~							

	Fiscal 1992				Fiscal 1993			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Total	General Fund	State Special Revenue	Federal Special Revenue
								Proprietary
								Other
								Total
20,000					20,000	20,000		20,000
d. HB 701 -- Implementation of Clean Coal Technology Project (Line Item)					20,000			
e. Pay Exceptions (Line Item)					8,361		8,106	8,106
4. Water Resources and Planning (24)								
2,555,644	2,011,436	51,316			4,618,396	2,548,521	2,011,112	51,022
2,214,949	2,228,436	81,316			4,524,701	2,339,042	2,091,112	4,640,655
a. Broadwater Equipment (Line Item)								4,481,176
	336,000				336,000			
b. Rehabilitation of State-Owned Water Projects (Line Item)					991,000			
	891,000				891,000			
c. Poplar River Monitoring (Line Item)					33,050		33,750	33,750
d. Middle Creek Dam (Line Item)					3,896,925			
e. Smith River (Line Item)					1,600,000			
f. Tongue River (Line Item)					2,000,000			
g. Missouri Basin Reservation (Line Item)					82,505		82,317	82,317
h. Missouri River Operating Expenses (Line Item)					375,743			

	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
		<u>288,743</u>				<u>288,743</u>						
i. Hydrologist Pay Exceptions (Line Item)												
		71,113				71,113		71,113				71,113
j. Pay Exceptions (Line Item)												
27,374	27,374	90,736				118,110	27,374	90,736				118,110
k. Treasure State Endowment -- HB 19							<u>20,000</u>					<u>20,000</u>
5. Reserved Water Rights Compact Commission (25)												
450,717	450,717	283,447				434,164	150,119	282,652				432,771
123,948	<u>123,948</u>					<u>407,395</u>						
a. Pay Exceptions (Line Item)												
3,948	3,948	7,331				11,279	3,936	7,311				11,247
b. Hydrologist Pay Exceptions (Line Item)												
		11,440				11,440		11,410				11,410
6. Energy Planning (26)												
486,387	486,387	1,248,725	1,093,701			2,828,813	488,280	1,248,920	1,095,275			2,832,475
444,452	<u>444,452</u>	<u>1,268,725</u>				<u>2,806,878</u>	<u>444,825</u>	<u>1,288,920</u>				<u>2,829,020</u>
a. Rock Creek Mitigation (Line Item)												
		400,000				400,000						
b. Lake Broadview (Line Item)												
		30,000				30,000						
c. Energy Conservation (Line Item)												
			107,000			107,000			334,500			334,500
d. Pay Exceptions (Line Item)												
10,349	10,349	1,150				11,499	10,042	1,117				11,159

Fiscal 1992				Fiscal 1993			
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	General Fund	State Special Revenue	Federal Special Revenue	Proprietary
Total	Other	Total		Other	Total		Total

Total

4,648,968	8,970,329	8,442,456		22,070,753	4,559,198	6,442,433	1,554,381	42,526,012
4,120,217	9,095,852	8,472,456		21,688,525	4,229,855	6,598,960		12,383,196

Items 1b, 3b, 3d 3c, 4a, 4b, 4d through 4f, 4h, 6a, and 6b are biennial appropriations.

All indirect charges collected on oil overcharge funds are appropriated for transfer to the general fund.

Included in centralized services funding is \$10,000 a year of indirect funds from major facility siting fees. If major facility siting activities generate more than \$20,000 of indirect funds over the biennium, the additional major facility siting fee indirect funds must be used to fund centralized service operations and an equal amount of centralized service division general fund money must be reverted.

The board of oil and gas conservation is appropriated \$110,000 a year from federal special revenue, contingent upon receiving federal funds from the environmental protection agency for the underground injection control program.

The department is authorized up to \$700,000 from the account established in 76-14-112 for rangeland loans during the 1993 biennium.

The department is appropriated up to \$1 million over the biennium from the account established in 85-1-604 for purchase of prior liens on property held as loan security as required by 85-1-618.

All funds deposited into the state special revenue account established in 76-15-530 are appropriated to the department for distribution as grants to conservation districts.

The general fund appropriation in items 3a and 3b may be expended only as a match for an equal amount of federal funds.

~~Item 3c is contingent on passage and approval of House Bill No. 795.~~

~~Item 3d is contingent on passage and approval of House Bill No. 701.~~

Funds appropriated in item 4a must be used to repair and replace equipment at the Broadwater hydropower project and to service the Broadwater hydropower project bond debt if revenue deposited in the debt service account is insufficient for this purpose.

Item 4k is to implement House Bill No. 19 and is contingent on passage of House Bill No. 19 and on electoral approval.

Funds received under the provisions of 85-1-514(4) are appropriated to the department for the purpose of performing duties required under 85-1-514.

Any revenue collected in the state water project hydroelectric power generation special revenue account established in ~~House Bill No. 586~~ Chapter 370,

Laws of 1991, is appropriated to the department for the rehabilitation of the Tongue River dam. The revenue will be used only if federal authorization for the

Fiscal 1992			Fiscal 1993		
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

project rehabilitation is secured.

Any fines collected under the provisions of Title 85, chapter 2, and deposited in the water right appropriation account in accordance with 85-2-318 are appropriated to the department to carry out the enforcement functions required under 85-2-114.

Funds received from bonds required by 37-43-306 are appropriated to the department for the purpose of performing remedial action on water wells, providing compensation for damages caused by water well violations, or paying administrative costs incurred by the board of water well contractors.

In spending eligible federal energy funds appropriated in item 6, the department shall give priority to developing a self-sustaining program for retrofitting school buildings with energy conservation measures that is similar to the state building energy conservation program established by Title 90, chapter 4, part 6, for state buildings. The department shall submit to the 53rd legislature proposed legislation necessary to implement the school building energy conservation program.

The department is appropriated up to \$700,000 from the Rock Creek mitigation special account in addition to the \$400,000 appropriated in item 6a. The total appropriation for item 6a may not exceed \$1,100,000 over the biennium.

The department may not reduce general fund appropriations for the statewide resource conservation and development coordinator or the statewide resource conservation and development operating expenses as shown in items 3a and 3b.

DEPARTMENT OF AGRICULTURE (6201)

1.	Centralized Services Division (15)				
	175,911	188,091	24,504	177,241	188,060
	a.	Audit (Line Item)	33,509	422,015	24,448
	26,733				33,443
					423,192
2.	State Grain Laboratory (25)				
	458,676				
	a.	Grain Laboratory Increase (Line Item)	460,209		
	61,804				
					41,772
3.	Environmental Management Division (30)				
	304,796	1,863,365	257,774	481,644	1,986,743
	224,622			2,425,935	257,776
				111,959	
				2,345,761	
					2,426,163
					2,356,478

Fiscal 1992 Fiscal 1993

	General Fund	State Special Revenue	Federal Special Revenue	Propri- etary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Propri- etary	Other	Total
a. Pesticide Program Workload (Line Item)												
		57,086				57,086		58,962				58,962
b. Ground Water Program Workload (Line Item)												
		224,295	68,515			292,810		220,278	68,437			288,715
4. Plant Industry Division (40)												
	448,926	143,851	9,144	11,198		613,119	443,564	146,063	9,189	11,251		610,067
5. Agricultural Development (50)												
	235,430	1,751,048	82,696	251,536		2,320,710	230,803	1,755,791	83,491		252,580	2,322,665
	<u>215,674</u>					<u>2,300,954</u>	<u>210,854</u>					<u>2,302,716</u>

Total

4,191,796 4,748,216 442,633 11,198 285,045 6,678,888 4,678,888 4,857,878 443,341 11,251 286,023 6,631,745

1,091,866 943,618 6,578,958

If House Bill No. 964 is not passed and approved, the general fund appropriation in item 3 is increased by \$388,254 in fiscal 1992 and state special revenue is decreased by \$388,254 in fiscal 1992, and general fund is increased by \$515,019 in fiscal 1993 and state special revenue is decreased by \$515,019 in fiscal 1993.

Item 3a contains \$58,361 in fiscal 1992 and \$60,281 in fiscal 1993 for an increase in the pesticide program. Item 3b contains \$294,883 in fiscal 1992 and \$291,090 in fiscal 1993 for an increase in the ground water program. These appropriations are contingent on enactment of House Bill No. 964.

The department is authorized to make grants to state agencies from the growth through agriculture account, as approved by the Montana agriculture development council in accordance with Title 90, chapter 9. The state agency that receives a grant from the Montana agriculture development council is authorized additional appropriation authority equal to the grant amount.

The department shall report to the legislative finance committee during fiscal 1992 on the feasibility of the department selling its portfolio of rural assistance program loans to the board of investments, thus enabling it to increase its loan capability.

DEPARTMENT OF COMMERCE (6501)

1. Public Safety Division (01)

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
2.	a.	70,842		65,338		136,180		70,841		65,250		136,091
		Audit (Line Item)				464						
3.	a.	821,173				821,173		821,241				821,241
		Audit (Line Item)										
4.	a.	283,503				283,503		284,272				284,272
		Audit (Line Item)										
5.	a.	2,047,292		859,146		2,906,438		2,028,181		858,739		2,886,920
		Audit (Line Item)										

	Fiscal 1992						Fiscal 1993					
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
b.	Impairment Program -- Dentists (Line Item)											
		25,000				25,000		25,000				25,000
c.	Miscellaneous Legislation (Line Item)											
		191,641		73,818		265,459		160,482		62,845		223,327
6.	Aeronautics Division (40)											
a.		599,341	73,599	63,713		736,653		600,391	73,592	63,653		737,636
		1,912		144		2,056						
b.	West Yellowstone Airport (Line Item)											
				17,000		17,000						
7.	Transportation Division (50)											
	404,058	62,102	879,734			1,345,894	372,427	71,250	850,835			1,294,512
	370,761					1,312,597	341,074					1,263,159
a.	Audit (Line Item)											
	1,466		978			2,444						
b.	McCarty Farms (Line Item)											
	480,000					480,000						
	165,483					165,483						
c.	Local Rail Assistance Grant (Line Item)											
			500,000			500,000						
d.	Construction Loan Fund (Line Item)											
		1,800,000				1,800,000						
8.	Business Development Division (51)											
	761,908	347,062	2,192,329			3,301,299	763,284	347,065	2,192,326			3,302,672
	727,808					3,267,199	708,868					3,248,259

General Fund	Fiscal 1992			Total	General Fund	State Special Revenue	Fiscal 1993		Total
	State Special Revenue	Federal Special Revenue	Proprietary				Federal Special Revenue	Proprietary	
a. Audit (Line Item)									
2,633		1,316		3,949					
b. Business Development Division (Line Item)									
	35,000			35,000		35,000			35,000
c. Defense Logistics Agency Contract (Line Item)									
	48,839	110,760		159,599		48,841	110,768		159,609
d. EDA/CDBG Revolving Fund (Line Item)									
		168,922		168,922			169,926		169,926
e. Canadian Trade Office (Line Item)									
14,816	55,000			69,816	14,741	55,000			69,741
f. International Affairs Coordinator (Line Item)									
38,959	44,584			53,540	38,962	44,582			53,544
0	53,540				0	53,544			
9. Small Business Development Centers Expansion (Line Item)									
		75,000		75,000			100,000		100,000
h. General Revision of Montana Capital Company Act -- HB 901 (Line Item)									
	42,385			42,385		39,385			39,385
9. Montana Promotion Division (52)									
	4,752,177			4,752,177		4,757,953			4,757,953
a. Audit (Line Item)									
	11,283			11,283					
b. Montana Promotional Division (Line Item)									
	1,034,028			1,034,028		1,352,234			1,352,234
10. Community Development Bureau (60)									
220,058	2,795,493	20,099,524		23,115,075	219,837	2,796,279	20,110,416		23,126,532

[illegible]

	General Fund	State Special Revenue	Fiscal 1992		Total	General Fund	State Special Revenue	Fiscal 1993		Total
			Federal Special Revenue	Propri- etary				Federal Special Revenue	Propri- etary	
	52,744			186,588	239,329	52,605			186,329	238,934
	<u>49,741</u>				<u>236,329</u>	<u>49,605</u>				<u>235,934</u>
a. Audit (Line Item)										
14. Local Government Assistance -- Administration (64)				818						
a. Audit (Line Item)				115,466	115,466				115,810	115,810
15. Building Codes Bureau (65)				302						
30,058 1,220,487										
a. Audit (Line Item)					1,250,545	30,016	1,220,959			1,250,975
125 3,625					3,750					
b. Vehicle Replacement (Line Item)										
191,424					191,424					
16. Indian Affairs Coordinator (70)										
<u>100,398</u>					100,398	100,457				100,457
<u>98,398</u>					<u>98,398</u>	<u>98,457</u>				<u>98,457</u>
a. Audit (Line Item)										
278				278						
b. EEO Grant -- Indian Affairs (Line Item)										
97,536					97,536		96,992			96,992
17. Health Facilities Authority (71)										
116,141				116,141	116,141				116,093	116,093
a. Audit (Line Item)					6,100					
6,100										

		Fiscal 1992				Fiscal 1993							
		General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
18.	Montana Science and Technology Alliance (73)												
		476,350					476,350	484,420					484,420
		398,556					398,556	409,420					409,420
	a. Audit (Line Item)						10,658						
		10,658											
	b. R & D Loans -- SB 242 (Line Item)												
		50,000					50,000	50,000					50,000
19.	Board of Housing (74)												
					1,972,226		1,972,226				1,965,745		1,965,745
	a. Audit (Line Item)				57,095		57,095						
20.	Investments Division (75)												
					1,544,640		1,544,640				1,544,164		1,544,164
	a. Audit (Line Item)				104,059		104,059						
	b. Additional FTE BOI/HFA Bond (Line Item)				21,658		21,658				21,609		21,609
	c. Investment Portfolio Managers (Line Item)				46,179		46,179				92,367		92,367
21.	Montana State Lottery (77)												
					3,004,658		3,004,658				3,007,793		3,007,793
	a. Audit (Line Item)				132,861		132,861						
	b. Montana Lottery (Line Item)				3,466,783		3,466,783				3,275,782		3,275,782

	Fiscal 1992			Total	General Fund	State Special Revenue	Fiscal 1993			Total
	General Fund	State Special Revenue	Federal Special Revenue				Federal Special Revenue	Proprietary	Other	
c. Lottery Vehicles (Line Item)										
22. Board of Horseracing (78)										
		302,171		302,171						
a. Audit (Line Item)						302,820				302,820
		944		944						
23. Director/Management Services (81)										
	103,705		749,470	853,175	103,820			748,881		852,701
a. Audit (Line Item)										
	299		78,920	79,219						
24. Budget Reduction										
	16,333			16,333	54,667					54,667
Total										
	~~3,392,537~~	46,791,444	25,212,836	13,949,081	59,345,595	45,036,226	24,705,245	13,426,426		56,268,072
	3,160,537	16,330,100		58,652,554	2,833,927	13,439,825				54,405,423

Item 5 contains \$3,000 in fiscal 1992 and \$2,000 in fiscal 1993 for the board of dentistry to implement mandatory continuing professional education requirements for dentists and dental hygienists.

Item 6 contains \$33,176 in fiscal 1992 and \$33,226 in fiscal 1993. These amounts are not to be used for moving costs associated with the department of transportation ~~if Senate Bill No. 164 is enacted.~~

~~if Senate Bill No. 164 is enacted, item 7 contains \$31,081 from the general fund and \$20,721 from federal funds in fiscal 1992 for moving costs associated with the department of transportation.~~

Item 7b is for litigation costs associated with the McCarty Farms case. The department shall seek to recover all general fund expenditures plus interest at a rate of 10% from any settlement in this case.

Items 7b through 7d are biennial appropriations.

Fiscal 1992				Fiscal 1993			
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	General Fund	State Special Revenue	Federal Special Revenue	Proprietary
Total				Total			
Other				Other			
Total				Total			

Item 8c contains \$14,000 \$110,760 a year of federal funds to provide assistance for small businesses in contracting with the federal government. General fund money may not be used in place of these federal funds.

The department is authorized to seek and expend private or other funds to replace \$77,921 of state special revenue included in Item 8f. If the department is successful in securing private or other funds, the accommodations tax state special revenue account appropriation is reduced by \$38,959 in fiscal 1992 and \$38,962 in fiscal 1993.

~~Item 8a is contingent on passage and approval of House Bill No. 901.~~

Item 10c is to implement House Bill No. 19 and is contingent on passage of House Bill No. 19 and on electoral approval.

Item 11b contains \$64,264 \$58,061 in fiscal 1992 and \$53,466 \$37,266 in fiscal 1993 for automation of census data. In preparing the 1995 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from this item in the current level base.

~~Item 18b is contingent on passage and approval of Senate Bill No. 242.~~

All revenue deposited in the science and technology development special revenue account, as established in 90-3-305, is appropriated to the Montana board of science and technology development.

In eliminating the certified communities program, the business development division may retain the 1.0 FTE associated with that program.

TOTAL SECTION C

24,510,289	65,306,789	55,058,215	16,566,498	303,645	458,745,427	20,469,303	54,522,572	46,765,571	16,051,177	286,023	438,004,646
25,629,088	65,007,262	55,052,215			162,558,708	19,328,878	53,112,698	46,729,571			135,508,347

	Fiscal 1992		Fiscal 1993		Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary								

D. INSTITUTIONS AND CULTURAL EDUCATION

MONTANA ARTS COUNCIL (5114)

1. Promotion of the Arts (01)												
423,720	116,778	198,277			438,784	421,921	116,771	198,253				436,945
115,869					430,924	11,558	220,636					430,447
a. Audit (Line Item)												
15,784					15,784							
b. Federal Grants -- Biennial (Line Item)												
					307,470							
c. Federal Grants -- Biennial (Line Item)												
					35,000							
d. Federal Grants (Line Item)												
					11,535			11,535				11,535
e. Federal Grants -- Biennial (Line Item)												
					231,130							

Total

439,513	116,778	783,412			1,039,703	421,921	116,771	209,788				448,480
131,653					1,031,843	11,558	220,636					441,982

Items 1b, 1c, and 1e (federal grants awarded to local communities and schools) are biennial appropriations.

LIBRARY COMMISSION (5115)

1. State Library Operations (01)												
956,620	157,431	363,927			1,477,978	970,939	153,905	368,406				1,793,250
895,977					1,417,335	939,658						1,461,969
a. Audit (Line Item)												

		Fiscal 1992				Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
15,784					15,784						
b.	Federal Grants -- Biennial (Line Item)										
		1,286,476			1,286,476						
c.	Blind and Physically Handicapped -- FTE and Associated Equipment (Line Item)										
22,319					22,319	19,097					19,097
d.	Library of Congress Dues (Line Item)										
1,500					1,500	3,000					3,000
e.	Local Library Assistance -- Biennial (Line Item)										
258,621					258,621						
194,664					194,664						
f.	Western Library Network Equipment (Line Item)										
		10,000			10,000						
2.	Natural Resource Information Services (07)										
		236,442	14,871		251,313		236,440	14,871			251,311
a.	Contract Authority -- Biennial (Line Item)										
		650,000			650,000						

Total

1,254,844	403,873	2,315,274	3,973,991	993,036	390,345	383,277	1,766,658
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$$\begin{array}{r} 1,130,244 \\ \underline{3,849,391} \\ 961,755 \\ \underline{1,735,377} \end{array}$$

Item 1b (federal grants for local libraries) is a biennial appropriation.

Item 1d (appropriation for library of congress dues) may not be included in the current level base in the agency budget request for the 1995 biennium.

Item 1e (general fund state aid to local libraries) is a biennial appropriation.

In the event coal severance tax allocated to the state library under 15-35-108(3)(f) exceeds the amounts appropriated to the state library for fiscal 1992 and fiscal 1993, the additional funds are appropriated to the state library commission for pass-through to the library federations

			<u>Fiscal 1992</u>		<u>Fiscal 1993</u>			Total
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	General Fund	State Special Revenue	Federal Special Revenue	Proprietary
						</		

The biennial appropriation for the legislative contract authority in item 2a is subject to the following provisions:

- (1) Legislative contract authority applies only to federal and private funds.
- (2) Legislative contract authority expenditures must be reported on state accounting records. The records must be separate from current level operations.
- (3) A report must be submitted by the library commission to the legislative fiscal analyst following the end of each fiscal year of the biennium. The report must include a listing of projects with the related amount of expenditures for each project.

HISTORICAL SOCIETY (5117)

1.	Administration Program (01)										
		462,546	82,762	33,392	578,670	465,061	82,233	33,383			580,677
		478,737			594,891	481,242					596,858
	a. Audit (Line Item)										
		16,707			16,707						
	b. Trustees' Reimbursement (Line Item)										
		7,654			7,654						7,654
	c. Capitol Tour Guides (Line Item)										
		25,829			25,829	25,838					25,838
		22,105			22,105	22,816					22,816
2.	Library Program (02)										
		398,270	29,736		428,006	398,625	29,875				428,500
		396,256	2,148		425,992	396,300	1,559		28,316		426,175
3.	Museum Program (03)										
		210,130	23,608		233,738	210,124	23,608				233,732
		193,340	19,487		216,948	187,385	19,487		4,121		210,993
	a. Electronic Security (Line Item)										
		30,000			30,000						
		5,000			5,000						

	General Fund	Fiscal 1992			Total	General Fund	Fiscal 1993			Total
		State Special Revenue	Federal Special Revenue	Proprietary			State Special Revenue	Federal Special Revenue	Proprietary	
4. Publication Program (04)	48,135			472,778	520,913	48,134			475,867	524,001
a. Audit (Line Item)				1,374	1,374					
b. Merchandise Authority (Line Item)				30,000	30,000				30,000	30,000
c. Milwaukee Mitigation (Line Item)			13,500		13,500					
5. Historical Sites Preservation (06)	72,069		565,233		637,302	72,211		565,717		637,928
	65,551		571,751		637,302	63,717		574,211		637,928
a. Audit (Line Item)			4,038		4,038					
b. Computers -- Federal (Line Item)			11,400		11,400					

Total

1,272,078	136,166	627,563	504,152	2,539,899	1,227,647	135,716	599,100	505,862	2,468,330
1,234,253	104,397	634,081	535,861	2,508,592	1,207,248	103,279	607,594	538,304	2,456,425

The Montana Historical Society has submitted for review plans for up to \$95,000 in private funds for the 1993 biennium. The Montana Historical Society is to present a summary report to its appropriations subcommittee during the 1993 legislature that lists the projects funded with these private funds and the expenditures for each project. These funds are not subject to appropriation and are not included in the above total. This language is contingent upon passage of House Bill No. 45.

In item 1, \$16,221 in fiscal 1992 and \$16,181 in fiscal 1993 are to offset vacancy savings that will revert to the general fund if not needed to pay personnel costs during the biennium. The agency has the authority to move these funds between programs by transfer to meet the expenses experienced.

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Proprietary	General Fund	State Special Revenue	Proprietary
			Other	Total		Other
						Total

The proprietary authority for a statutory required transfer of general fund money in the magazine program must be increased by the same amount as the pay plan increase for FTEs supported by the general fund.

~~Item is contingent on the failure of Senate Bill No. 411.~~
~~The amendment made to item 3 that struck \$219,191 and \$219,078 is contingent on the failure of Senate Bill No. 411.~~

DEPARTMENT OF INSTITUTIONS CORRECTIONS AND HUMAN SERVICES (6401)

1.	Central Operations Division (10)					
				1,563,284	1,562,953	1,562,953
				1,520,604	1,546,713	1,546,713
	a. Audit (Line Item)					
	123,438	41,150	8,512	6,838		
				179,938		
	b. ~~Special Services (Line Item)~~					
	32,500			32,500		32,500
				0	0	0
	e b. Board of Pardons Staff (Line Item)					
	30,995			30,995	26,910	26,910
	d c. Information System Enhancement (Line Item)					
	30,665			130,665	128,024	128,024
2.	Corrections Division (20)					
	21,306,764	1,302,651	155,023	3,077,232		
	21,234,267			25,581,667	21,180,633	1,303,227
				25,769,173	20,927,059	3,080,854
	a. Corrections Medical (Line Item)					
	1,869,975			1,869,975		
	b. Staffing for Additional Capacity (Line Item)					
	560,823			560,823	759,892	759,892
	c. ~~Jail Payments~~ ~~Parole Violators (Line Item)~~					

General Fund	Fiscal 1992			State Special Revenue	Federal Special Revenue	Fiscal 1993			Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
66,120						66,120			66,120	66,120					66,120
0						0			0	0					0
d e.						Operating Cost Increases (Line Item)									
80,663									80,663	80,663					80,663
e d.						SRFC Chemical Dependency (Line Item)									
						38,350			38,350		38,282				38,282
f e.						Female Population Increase (Line Item)									
77,058									77,058	99,214					99,214
g f.						WCC Additional Staff (Line Item)									
43,306									43,306	43,034					43,034
h g.						Local Jurisdiction Sentencing (Line Item)									
17,342						17,264			34,576	17,301	17,265				34,566
0									17,264						
i h.						Prerelease Expansion (Line Item)									
336,395									336,395	358,145					358,145
72,240									72,240						
j i.						House Arrest (Line Item)									
45,000									45,000	45,000					45,000
0									0						
k j.						Great Falls ISP (Line Item)									
127,739									127,739	70,600					70,600
105,597									105,597						
l k.						Probation and Parole Officer Increase (Line Item)									
131,201									131,201	134,526					134,526
95,930									95,930						

General Fund	State Special Revenue	Fiscal 1992			Total	General Fund	State Special Revenue	Fiscal 1993		Total
		Federal Special Revenue	Proprietary	Other				Federal Special Revenue	Proprietary	
m l.	Jail -- Graduated Sanctions (Line Item)				66,120	66,120				66,120
66,120										
0					0					
a m.	Targeted Case Managers (Line Item)									
54,244					54,244	54,128				54,128
e n.	BLSC Operating Increases (Line Item)									
3,110					3,110	3,110				3,110
p o.	New Women's Prerelease Center (Line Item)									
278,119					278,119	237,043				237,043
40,740					40,740					
q p.	Community Prerelease Provider Increases (Line Item)									
27,132					27,132	54,807				54,807
r	Peace Officer Training (Line Item)									
12,200					12,200	5,200				5,200
0					0	0				0
g.	Gallehon Turner Trial (Line Item)									
75,000					75,000					
r.	Maximum Disturbance Legal Costs (Line Item)									
25,000					25,000					
s.	Reception Overflow (Line Item)									
41,000					41,000					
t.	Food Costs (Line Item)									
78,782					78,782					
u.	Jail Payments -- Parole Violators (Line Item)									
66,120					66,120	66,120				66,120

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
3. Mental Health Division (30)						
29,365,013	225,403	1,021,946				32,386,959
29,460,517	742,323					30,202,840
a. Child and Adolescent Service System Program (Line Item)						
		13,405				13,405
b. Federal Data Grant (Line Item)						
		107,100				107,100
c. Service Provider Increases (Line Item)						
106,391		106,381				212,772
d. CFA Additional Staff (Line Item)						
36,100		36,100				72,200
e. Homeless Block Grants (Line Item)						
		275,000				275,000
f. HB 93 -- Utilization Fee on Nursing Facilities (Line Item)						
32,370		32,370				64,740
4. Chemical Dependency Division (40)						
230,329	1,556,082	2,032,317				3,888,728
226,877						226,877
a. Alternative Chemical Dependency Services (Line Item)						
		20,817				20,817
b. Community Youth Activity-2 (Line Item)						
		507,276				507,276
c. Chemical Dependency Data Grant (Line Item)						
		65,788				65,788
d. HB 93 -- Utilization Fee on Nursing Facilities (Line Item)						

<u>Fiscal 1992</u>			<u>Fiscal 1993</u>		
<u>General</u>	<u>State</u>	<u>Federal</u>	<u>State</u>	<u>Federal</u>	
<u>Fund</u>	<u>Special</u>	<u>Special</u>	<u>Special</u>	<u>Special</u>	
	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>	
					<u>Propri-</u>
					<u>etary</u>
					<u>Other</u>
					<u>Total</u>

or the treatment requirements of its correctional institutions.

Within the industries operations in item 2, the department may submit budget amendments to hire 1 FTE marketing representative, 2 FTE shop supervisors, and 1 FTE prison industries procurement coordinator if funding is available.

Within the industries training program in item 2, the department may submit budget amendments to hire 1 FTE vehicle maintenance shop supervisor if funding is available.

The department is authorized to maintain a cash balance of not more than \$16,000 at the end of each fiscal year in the prison industries training proprietary account. Any funds in excess of \$16,000 in the proprietary account are to offset the general fund appropriation.

Item 2a, the corrections medical budget, is a biennial appropriation.

The department shall submit budget amendments for the local jurisdiction sentencing option program in item 2h 2g if federal funding becomes available.

The total general fund and state special fund share of the program may not exceed 50% and must revert to the respective funds to the extent that federal funding is less than \$35,000.

Item 2h 2g contains \$55,276 in fiscal 1992 and \$55,158 in fiscal 1993 for two targeted case managers at the prison. In preparing the 1995 biennial budget for legislative consideration, the office of budget and program planning and the legislative fiscal analyst's office may not include the expenditures from the above items in the current level base.

~~Item 2c contains \$12,200 in fiscal 1992 and \$5,200 in fiscal 1993 from the general fund for peace officer training for probation and parole officers. This appropriation is contingent on passage and approval of Senate Bill No. 370.~~

Transfers may be made between line items within the mental health division and the alcohol and drug abuse division (chemical dependency) for the purpose of accurately allocating operating expenses associated with the alcohol and drug programs on the Galen campus upon approval of the governor or his designated representative.

Included in item 3 are \$22,492,426 in fiscal 1992 and \$22,717,860 in fiscal 1993 for the operation of Montana state hospital. Except for approved transfers to the chemical dependency division for the purpose of accurately allocating operating expenses associated with the alcohol and drug programs on the Galen campus, no more than 5% of these funds may be transferred.

In item 3, the department may transfer appropriation authority from the personal services category to the operating expense category of the mental health division budget upon approval by the governor or his designated representative for costs associated with the Ihler lawsuit and the pilot projects in Kalispell, Missoula, and Butte.

Fiscal 1992				Fiscal 1993			
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	General Fund	State Special Revenue	Federal Special Revenue	Proprietary
				Total	Other	Total	Other

In item 3, the department may transfer appropriation authority from the personal services category to the operating expense category of the mental health division budget upon approval by the governor or his designated representative for costs, up to \$1,000,000 for the 1993 biennium, associated with responding to the district court ruling on the Ihler lawsuit.

~~items 3f, 4d, and 6a are contingent on passage and approval of House Bill No. 93.~~

included in the appropriation for the Montana state hospital chemical dependency program within item 4 are \$1,408,733 in fiscal 1992 and \$1,413,201 in fiscal 1993 for the operation of the Galen chemical dependency program. No more than 5% of these funds may be transferred.

The department shall continue to provide acute hospital care, intermediate nursing care, and chemical dependency services at the Montana state hospital at Warm Springs and Galen without significant changes in the program at either campus, except for approved changes on the Warm Springs campus to implement the district court ruling on the Ihler lawsuit.

In item 5, the department may transfer appropriation authority from the personal services category to the operating expense category of the Montana developmental center budget upon approval of the governor or his designated representative if the downsizing does not take place on schedule.

TOTAL SECTION D

73,726,446	5,474,434	8,707,832	3,588,222	91,496,934	71,111,343	5,457,556	5,540,533	3,586,721	85,696,153
73,299,417	5,576,701	8,804,715	3,619,931	91,300,764	70,969,859	5,660,356	5,643,007	3,619,158	85,892,380

	Fiscal 1992		Fiscal 1993	
General Fund	Federal Special Revenue	State Special Revenue	Federal Special Revenue	Proprietary
	Other	Total		Other
				Total

E. EDUCATION

University units are defined in ~~Section 5 of House Bill No. 454~~ 17-7-102(16). For all university units, except the office of the commissioner of higher education, all funds, other than plant funds appropriated in ~~House Bill No. 5~~ Chapter 774, Laws of 1991, relating to long-range building, and current unrestricted operating funds, are appropriated contingent upon approval of the comprehensive program budget by the board of regents by October 1 of each year. The budget must contain detailed revenue and expenditures and anticipated fund balances of current funds, loan funds, endowment funds, and plant funds. All movement of funds between the current unrestricted subfund and the designated subfund account entities must be clearly identified in the state budgeting and accounting system.

Programs for the university units' budgets, except the office of the commissioner of higher education, include instruction, organized research, public service, academic support, student services, institutional support, operation and maintenance of plant, and scholarships and fellowships.

All university units, except the office of the commissioner of higher education, shall account for expenditures consistently within programs and funds, across all units and shall use the national center for higher education management systems program classification structure, along with the college and university business administration (CUBA) system, as a minimum standard for achieving consistency.

Any tuition added through budget amendment in fiscal 1992 and fiscal 1993 may, in the discretion of the board of regents, be distributed among agencies of the Montana university system with the following restriction: tuitions may not be budget amended either directly or indirectly to increase the budget of the office of the commissioner of higher education.

The general fund reduction to the Montana university system is not contingent on or tied to any action concerning the operation of state liquor stores.

OFFICE OF PUBLIC INSTRUCTION (3501)

1. Administration (06)

[illegible]

General Fund	Fiscal 1992			Total	General Fund	Fiscal 1993			Other	Total
	State Special Revenue	Federal Special Revenue	Proprietary			State Special Revenue	Federal Special Revenue	Proprietary		
d. Resource Center funds (line item)		8,000		8,000						
e. Distribution of Migrant Grants (line item)		320,000		320,000			320,000			320,000
f. Indian Education (line item)	24,071			24,071	23,007					23,007
g. Audiology -- Biennial (line item)										
h. Other Federal Funds (line item)	136,000	82,000		218,000						
i. Education of the Handicapped -- Part B Administration Set-Aside (line item)		201,302		201,302			93,700			93,700
j. Race Equity (line item)		300,000		300,000			342,000			342,000
k. Nutrition Education and Training Grant (line item)		25,000		25,000			25,000			25,000
l. AIDS Education (line item)		12,500		12,500			12,500			12,500
m. Drug Free Schools and Communities (line item)		98,107		98,107			98,107			98,107
n. Chapter 1 Program Improvement (line item)		131,512		131,512			131,514			131,514
o. ESEA Chapter 2 Program (line item)		50,000		50,000			50,000			50,000
p. Expanded Co-op food purchase (line item)		141,843		141,843			141,843			141,843

		Fiscal 1992				Fiscal 1993			
General Fund	State Special Revenue	Federal		Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary
		Special Revenue	Proprietary						
	42,500				42,500		43,532		43,532
a. Bilingual Grant (Line Item)									
	24,673				24,673			24,674	24,674
b. National Bicentennial Compact (Line Item)									
	7,500				7,500			7,500	7,500
c. Court-Ordered Attorney Fees -- Ridgeway (Line Item)									
	11,000				11,000				
d. Gift for Montana Graduates (Line Item)									
	426,517				426,517			424,485	424,485
2. Distribution to Schools (09)									
a. Special Education (Line Item)									
	32,845,797				32,845,797				32,845,797
b. Special Education Contingency -- Biennial (Line Item)									
	2,031,699				2,031,699				
	2,031,163				2,031,163				
c. Transportation (Line Item)									
	6,483,120	3,908,166			10,391,286	6,493,558	3,914,457		10,408,015
d. School Lunch (Line Item)									
	599,397				599,397	599,397			599,397
e. Gifted and Talented (Line Item)									
	300,000				300,000	300,000			300,000
	276,000				276,000	276,000			276,000
f. Secondary Vocational Education -- Biennial (Line Item)									
	4,800,000				4,800,000				
	1,656,000				1,656,000				

General Fund	Fiscal 1992		Fiscal 1993		Total
	State Special Revenue	Federal Special Revenue	State Special Revenue	Federal Special Revenue	
				Proprietary	Other
g.	Adult Education (Line Item)				
250,000			250,000		250,000
h.	Impact Aid (Line Item)				
5,000			5,000		5,000
4,600			4,600		4,600
i.	Education of the Handicapped -- Part B Biennial (Line Item)				
		1,356,000	1,356,000		
j.	Job Training Partnership Act -- Biennial (Line Item)				
		1,017,200	1,017,200		
k.	Adult Basic Education -- Biennial (Line Item)				
		1,198,000	1,198,000		
l.	McKinney Homeless Act -- Biennial (Line Item)				
		140,400	140,400		
m.	Preschool Incentive -- Biennial (Line Item)				
		230,000	230,000		
n.	Vocational Education -- Biennial (Line Item)				
		5,000,000	5,000,000		
o.	English Literacy -- Biennial (Line Item)				
		25,000	25,000		
p.	Education of the Handicapped -- Part D Biennial (Line Item)				
		45,000	45,000		
q.	Chapter 1 -- Biennial (Line Item)				
		180,000	180,000		
r.	Section 20-9-351 Supplemental Funding -- Biennial (Line Item)				
24,130,000			24,130,000		

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

Total

48,048,246	4,378,187	13,439,982	956,815	66,823,230	44,018,168	4,295,762	4,089,022	887,460	53,290,412
71,816,802				90,591,786	43,807,778				53,080,022

Item 1 includes \$81,564 in fiscal 1992 and \$81,810 in fiscal 1993 in the state special revenue fund from the traffic safety account for motorcycle safety. This appropriation is contingent upon the passage and approval of House Bill No. 763.

The legislature approved the addition of 0.5 FTE from the federal national origins grant and 0.5 FTE from the federal school foods grant. These funds are in item 1.

~~Item 1g is a biennial appropriation.~~ Included in item 1 is a biennial appropriation of \$136,000 from the general fund and \$82,000 from the state special revenue fund for audiology services.

The superintendent of public instruction may use any unexpended general fund appropriation, excluding item 2r, school equalization supplemental funding, in distributions to schools, program 09, to restore the appropriations for special education contingency, gifted and talented, secondary vocational education, and out-of-district placements up to but not exceeding the amount authorized by Chapter 815 and Chapter 765, Laws of 1991. Any unexpended appropriation balances in fiscal 1992 in items 2a through 2h may be carried in and expended in fiscal 1993.

Item 2b is a biennial appropriation. This appropriation is for unforeseen expenses that may arise in special education programs in local districts. A district board of trustees may apply for an allocation from these funds by presenting to the superintendent of public instruction, for each child, a child-study (CSI) report and an individual education plan (IEP) relating to this unforeseen expense or, if the need for additional personnel is due to caseload excess, a board of trustees' verification of completed IEPs and CSIs. In addition, a current listing of programs, caseloads, and related costs must be submitted. Contingency funds may be awarded for positions that have gone unfilled for an entire school year and for which regular state special education funds were not awarded. The agency may transfer any unused balance in this appropriation into the special education appropriation in item 2a.

Item 2f is a biennial appropriation.

Items 2i through 2q are biennial appropriations.

All revenue received in the state traffic education account under the provisions of 20-7-504, is appropriated as provided in Title 20, chapter 7, part 5.

BILLINGS VOCATIONAL-TECHNICAL CENTER (3511)

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
1. General Operations (01,07,44)						
1,213,990						
a. Audit (Line Item)						
25,570					688,861	1,887,781
2. Budget Reduction						
9,773					81,545	81,545

Total

1,239,560

682,386

1,921,946

1,198,920

688,861

1,887,781

1,229,787

1,912,173

1,117,375

1,806,236

Total audit costs are estimated to be \$28,412 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.

Item 2 reduces the Billings vocational-technical center's total general fund appropriation. The Billings vocational-technical center, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.

BUTTE VOCATIONAL-TECHNICAL CENTER (3512)

1. General Operations (01,07,44)						
1,432,620						
a. Audit (Line Item)						
26,992					353,473	1,816,933
2. Budget Reduction						
11,343					87,478	87,478

Total

1,459,612

351,978

1,811,590

1,463,460

353,473

1,816,933

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total

1,448,269 1,800,247 1,375,982 1,729,455

Total audit costs are estimated to be \$29,990 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.

Item 2 reduces the Butte vocational-technical center's total general fund appropriation. The Butte vocational-technical center, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.

GREAT FALLS VOCATIONAL-TECHNICAL CENTER (3513)

1.	General Operations (01,07,44)	631,385	2,184,329	1,586,011	634,024	2,220,035
	a. Audit (Line Item)					
	25,570					
2.	Budget Reduction					
	12,520			110,576		110,576

Total						
1,578,514	631,385	2,209,899	1,586,011	634,024		2,220,035
1,565,994		2,197,379	1,475,435			2,109,459

Total audit costs are estimated to be \$28,412 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.

Item 2 reduces the Great Falls vocational-technical center's total general fund appropriation. The Great Falls vocational-technical center, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.

HELENA VOCATIONAL-TECHNICAL CENTER (3514)

1.	General Operations (01,07,44)	549,089	2,547,441	1,948,771	551,207	2,499,978
	1,998,352					

	Fiscal 1992		Fiscal 1993			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
a. Audit (Line Item)						
26,992						
2. Budget Reduction						
15,788						115,834
Total						115,834

2,025,344

2,009,556

549,089

2,574,433

1,948,774

551,207

2,499,978

2,558,645

1,832,937

2,384,144

Total audit costs are estimated to be \$29,990 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items 1 and 1a.

Item 2 reduces the Helena vocational-technical center's total general fund appropriation. The Helena vocational-technical center, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.

MISSOULA VOCATIONAL-TECHNICAL CENTER (3515)

1. General Operations (01,07,44)

2,031,178						
a. Audit (Line Item)						
22,728						
2. Budget Reduction						
16,101						114,410
Total						114,410

666,617

2,697,795

1,952,924

670,365

2,623,289

Total

2,053,006

2,037,805

666,617

2,720,523

1,952,924

670,365

2,623,289

2,704,422

1,838,514

2,508,979

Total audit costs are estimated to be \$25,254 for the biennium. Ten percent of these costs must be paid from funds other than those appropriated in items

Fiscal 1992			Fiscal 1993		
General Fund	State Special Revenue	Federal Special Revenue	General Fund	State Special Revenue	Federal Special Revenue
					Proprietary
			Total	Other	Total

1 and 1a.

Item 2 reduces the Missoula vocational-technical center's total general fund appropriation. The Missoula vocational-technical center, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.

The commissioner of higher education may transfer county millage collections among the centers. Total revenue received from the 1.5-mill levy that exceeds \$965,035 in fiscal 1992 and \$991,480 in fiscal 1993 is appropriated to the office of the commissioner of higher education for distribution to the vocational-technical centers and ~~but must result in a general fund reversion of a like amount~~ must be added by budget amendment by the board of regents in a manner so as to offset reductions in vocational-technical center appropriations in [this act] from the levels contained in The General Appropriations Act of 1991 and acts supplementary thereto.

It is the intent of the legislature that the board of regents have additional appropriation flexibility to operate the vocational-technical centers during the 1993 biennium. Therefore, the legislature has approved for each vocational-technical center a single appropriation for its general operations. The appropriation for each postsecondary vocational-technical center listed above is for the following programs: instruction, academic support, student services, institutional support, and operation and maintenance of plant. The vocational-technical centers are exempt from [section 2], which requires personal services line items.

It is further the intent of the legislature that all fiscal matters pertaining to the postsecondary vocational-technical centers during the 1993 biennium and the 1995 biennium budget request be recorded, maintained, and submitted, using the college and university business administration (CUBA) fund structure and functional expenditure classifications.

BOARD OF PUBLIC EDUCATION (5101)

1. Administration (01)

114,186	114,186	114,004	114,004
107,677	6,509	104,458	110,967

a. Audit (Line Item)

1,264

b. ~~Board Hearing~~ HB 28 ~~Biennial (Line Item)~~

3,252

3,252

	Fiscal 1992			Fiscal 1993			Total
	General Fund	State Special Revenue	Federal Special Revenue	General Fund	State Special Revenue	Federal Special Revenue	
							Other
0							
2. Advisory Council (03)							
		71,665			71,527		71,527
a. Audit (Line Item)							
		1,262					
Total							
	118,702	72,927		114,001	71,527		185,528
	108,941	79,436		104,458	78,036		182,494
Item 1b is a biennial appropriation.							
COMMISSIONER OF HIGHER EDUCATION (5102)							
1. Administration Program (01)							
	864,771			853,079			853,079
a. Audit (Line Item)							
	20,519						
b. Regents Employee Reporting System (Line Item)							
	121,053			107,424			107,424
2. Student Assistance Program (02)							
	4,788,611		280,000			280,000	
a. Increased Supplemental Educational Opportunity Grant Match (Line Item)				5,068,611	4,854,262		5,134,262
	63,590			63,590			63,590
b. Increased Perkins Loan Match (Line Item)							
	36,270				36,270		36,270
c. State Work Study -- Minimum Wage Increase (Line Item)							
	105,203			105,203			105,203

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	General Fund	State Special Revenue	Federal Special Revenue
3. Dwight D. Eisenhower Mathematics and Science Education Act (03)						
4. Community College Assistance (04)						
3,785,966						
a. Audit (Line Item)						
29,890						
5. Montana University System Group Insurance Program (05)						
a. Group Insurance Additional Costs (Line Item)						
13,760,131						
6. Talent Search (06)						
188,829						
a. Talent Search Additional Federal Funds (Line Item)						
48,793						
7. Carl D. Perkins Administration (08)						
92,966						
5,115,331						
8. Guaranteed Student Loan Program (12)						
1,409,410						
a. Audit (Line Item)						
6,630						
b. Guaranteed Student Loan Additional Workload (Line Item)						
232,694						
c. Supplemental Preclaims Unit (Line Item)						
43,446						
9. Board of Regents -- Administration (13)						

[illegible]

Total

10,804,523	7,574,975	13,899,932	32,369,430	11,130,308	7,550,465	16,184,457	34,874,320
10,378,976			31,853,883	10,832,844		5,178,760	39,746,526

Item 2 includes \$68,400 general fund in fiscal 1992 and \$114,000 general fund in fiscal 1993 for three new medical student WICHE slots in fiscal 1992 and three continuing medical student WICHE slots and 2 new medical student WICHE slots in fiscal 1993. If House Bill No. 1007 is enacted, the general fund appropriation in item 2 must be reduced by \$68,400 in fiscal 1992 and \$114,000 in fiscal 1993.

The appropriation in item 4 provides 51% and 55% of the total unrestricted budgets for the community colleges in fiscal 1992 and fiscal 1993, respectively.

The total unrestricted budgets for the community colleges must be approved by the board of regents.

The general fund appropriation for each community college includes 49% of the total audit cost. The remaining 51% of these costs are to be paid from funds other than those appropriated in items 4 and 4a. Audit costs may not exceed \$18,000 each for Dawson and Miles community colleges and \$25,000 for Flathead Valley community college for the biennium.

General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Item 11a is a biennial appropriation.											
Items 12 and 13 reduce the commissioner of higher education's total general fund appropriation. The commissioner of higher education, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.											
Item 14 is additional spending authority for tuition revenue. This tuition may, in the discretion of the board of regents, be distributed among agencies of the Montana university system with the following restriction: all tuition revenue must be distributed to agencies other than the office of the commissioner of higher education. It is the intent of the 52nd legislature that the board of regents increase total tuition and fee charges at the six university units by no more than \$7 per credit hour for resident students and \$47 per credit hour for nonresident students, which is the equivalent of the difference between charges at Montana state university and the university of Montana and the average of their peer institutions.											
UNIVERSITY OF MONTANA (5103)											
1.	Instruction (01)										
		15,528,473		9,107,802	24,636,275	15,504,308				9,148,531	24,652,839
2.	Organized Research (02)										
		631,517			631,517	632,053					632,053
	a.	Bureau of Business and Economic Research (Line Item)									
		30,000			30,000						
3.	Public Service (03)										
		306,560			306,560	426,596					426,596
4.	Operation and Maintenance of Plant (07)										
		5,476,334			5,476,334	5,524,124					5,524,124
5.	Scholarships and Fellowships (08)										
				1,228,074	1,228,074					1,228,074	1,228,074
6.	Support (44)										
		6,762,601		5,342,998	12,105,599	6,777,328				5,384,625	12,161,953
	a.	Audit (Line Item)									

	Fiscal 1992		Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other
	55,244				
b. Minimum Wage (Line Item)					
	73,740				73,740
c. Library Books (Line Item)					
	281,715				
d. Regents' Employee Reporting System (Line Item)					
	25,766				25,766
<u>Z. Budget Reduction</u>					
	<u>451,183</u>				<u>2,672,011</u>
<u>Total</u>					

29,171,959	15,678,874	44,850,824	28,963,915	15,761,230	44,725,145
<u>28,720,767</u>	<u>44,399,641</u>		<u>26,291,904</u>		<u>42,053,134</u>

Total audit costs are estimated to be \$110,488 for the biennium. Fifty percent of these costs must be paid from funds other than those appropriated in items 1 through 6.

Item 1 contains \$130,000 from the general fund in fiscal 1992 and \$130,000 from the general fund in fiscal 1993 for the university of Montana pharmacy school over and above the amount generated by the funding formula for the school of pharmacy. Any grant and donation made to the university of Montana for the express purpose of maintaining accreditation at the school of pharmacy may not reduce funds otherwise allocated from the current unrestricted fund. It is the intent of the legislature that the current unrestricted budget allocation by the university of Montana to the school of pharmacy not be reduced. It is the further intent of the legislature that these additional funds become part of the current level base budget for the university of Montana and be included in the 1995 biennium current level budget analysis prepared by the office of the legislative fiscal analyst and presented to the 53rd legislature.

Items 2a and 6c are biennial appropriations.

Item 7 reduces the university of Montana's total general fund appropriation. The university of Montana, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.

MONTANA STATE UNIVERSITY (5104)

<u>Fiscal 1992</u>			<u>Fiscal 1993</u>							
General Fund	State Special Revenue	Federal Special Revenue	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
<u>553,260</u>				<u>553,260</u>	<u>2,870,909</u>					<u>2,870,909</u>

Total											
	<u>36,746,398</u>			16,683,845	<u>53,430,243</u>	<u>36,342,254</u>				16,775,370	<u>53,117,624</u>
	<u>36,193,138</u>				<u>52,876,983</u>	<u>33,471,345</u>					<u>50,246,715</u>

Total audit costs are estimated to be \$110,488 for the biennium. Fifty percent of these costs must be paid from funds other than those appropriated in items 1 through 6.

Item 1b is a biennial appropriation and is contingent on the receipt of the national science foundation mathematics grant being awarded to Montana.
Item 6c is a biennial appropriation.

Item 7 reduces Montana state university's total general fund appropriation. Montana state university, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.

MONTANA COLLEGE OF MINERAL SCIENCE AND TECHNOLOGY (5105)

1.	Instruction (01)										
		3,417,769									
2.	Organized Research (02)		2,035,482	5,453,251	3,411,274			2,043,500		5,454,774	
		41,300		41,300	41,415					41,415	
3.	Operation and Maintenance of Plant (07)										
		1,545,483		1,545,483	1,557,023					1,557,023	
4.	Scholarships and Fellowships (08)										
			201,561	201,561				201,561		201,561	
5.	Support (44)										
		2,279,062		2,747,455	2,282,457					474,752	2,757,209
	a. Audit (Line Item)										
		49,721									
	b. Minimum Wage (Line Item)										

	Fiscal 1992				Fiscal 1993			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue
35,041								
c. Library Books (Line Item)								
51,805								
d. Regents' Employee Reporting System (Line Item)								
8,993								
6. Budget Reduction								
116,122								

Total

7,429,474

2,705,436

40,434,610

7,336,203

2,719,813

10,056,016

7,313,052

10,018,488

6,825,904

9,545,717

Total audit costs are estimated to be \$66,294 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through 5.

Item 5c is a biennial appropriation.

Item 6 reduces the Montana college of mineral science and technology's total general fund appropriation. The Montana college of mineral science and technology, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.

EASTERN MONTANA COLLEGE (5106)

1. Instruction (01)	3,232,818	4,979,980	8,212,798	3,095,181	5,004,703	8,099,884
2. Public Service (03)	253,236		253,236	254,033		254,033
3. Operation and Maintenance of Plant (07)	2,184,624		2,184,624	2,204,427		2,204,427
a. Apsaruke Hall Utilities (Line Item)						

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
10,000						10,000
b. Billings SID (Line Item)						
10,503						6,024
4. Scholarships and Fellowships (08)						
5. Support (44)						
5,027,976						382,715
a. Audit (Line Item)						
52,088						382,715
b. Minimum Wage (Line Item)						
35,563						124,827
c. Library Books (Line Item)						
112,965						5,150,606
d. Regents' Employee Reporting System (Line Item)						
14,608						35,563
6. Budget Reduction						
170,082						14,608
						855,491

Total						
40,034,384	5,480,077	16,444,458	10,645,615	5,512,245		16,157,860
10,764,299		16,244,376	9,790,124			15,302,369

Total audit costs are estimated to be \$69,450 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through 5.

Item 3a is for utilities expense at Apsaruke hall only. Any unused funds revert to the general fund at the end of each fiscal year.

Item 5c is a biennial appropriation.

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Item 6 reduces eastern Montana college's total general fund appropriation. Eastern Montana college, with the approval of the approving authority, as defined in 17-1-101, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.						
NORTHERN MONTANA COLLEGE (5107)						
1. Instruction (01)	2,505,437				2,011,170	4,516,607
2. Public Service (03)					8,891	8,891
3. Operation and Maintenance of Plant (07)						
1,166,288						
4. Scholarships and Fellowships (08)						
5. Support (44)	2,312,971				193,409	2,506,380
a. Audit (Line Item)	42,617					42,617
b. Minimum Wage (Line Item)	39,730					39,730
c. Library Books (Line Item)						
	53,234					53,234
d. Regents' Employee Reporting System (Line Item)	9,050					9,050
6. Budget Reduction						
	96,194					96,194
Total						

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
6,120,327					2,491,845	8,621,172
6,033,133					8,524,978	6,036,520
					5,648,717	2,507,008
						8,543,537
						8,155,725
Total audit costs are estimated to be \$56,823 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through 5.						
Item 5c is a biennial appropriation.						
Item 6 reduces northern Montana college's total general fund appropriation. Northern Montana college, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.						
WESTERN MONTANA COLLEGE OF THE UNIVERSITY OF MONTANA (5108)						
1. Instruction (01)						
1,531,128					1,027,650	2,558,778
					1,526,351	1,033,343
2. Operation and Maintenance of Plant (07)						
738,270					738,270	743,101
3. Scholarships and Fellowships (08)						
					89,683	89,683
4. Support (44)						
1,119,120					353,405	1,472,525
					1,119,456	356,123
a. Audit (Line Item)						
43,802					43,802	
b. Minimum Wage (Line Item)						
38,507					38,507	38,507
c. Library Books (Line Item)						
31,158					31,158	
d. Regents' Employee Reporting System (Line Item)						
8,865					8,865	8,865
5. Budget Reduction						

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	General Fund	State Special Revenue	Federal Special Revenue
						Proprietary
				Total	Other	Total
	55,504			55,504	250,655	250,655

Total

3,510,850

1,470,738

4,981,588

3,436,280

1,479,149

4,915,429

3,455,346

4,926,084

3,185,625

4,664,774

Total audit costs are estimated to be \$58,402 for the biennium. Twenty-five percent of these costs must be paid from funds other than those appropriated in items 1 through 4.

Item 4c is a biennial appropriation.

Item 5 reduces Western Montana college's total general fund appropriation. Western Montana college, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.

Included within current unrestricted funds (contained in the "other" fund column) to the six university units is the sum of \$11,887,000 in fiscal 1992 and \$12,131,000 in fiscal 1993 from revenue generated under the provisions of 20-25-423. The department of revenue shall levy the full 6 mills authorized in 20-25-423. Revenue received by the university system under the provisions of 20-25-423 that exceeds \$11,887,000 in fiscal 1992 and \$12,131,000 in fiscal 1993 is appropriated to the office of the commissioner of higher education for distribution to the university system and ~~must cause a general fund reversion of a like amount~~ must be added by budget amendment by the board of regents in a manner so as to offset reductions in the university system appropriations in [this act] from the levels contained in The General Appropriations Act of 1991 and acts supplementary thereto.

It is understood by the 52nd legislature that the appropriations contained in [this act] for the six university units may result in the board of regents electing to limit or reduce enrollment during fiscal 1992 and fiscal 1993. It is the intent of the 52nd legislature that if actual enrollments during the 1993 biennium are fewer than the budgeted number of student full-time equivalents for the 1993 biennium, systemwide or by unit, the legislative fiscal analyst shall present to the 53rd legislature a current level budget for the six units, systemwide and by unit, no lower than the budgeted amount for the 1993 biennium.

It is ~~further~~ understood by the 52nd legislature that shortfalls in student tuition due to enrollment declines may be presented to the 53rd legislature for a supplemental appropriation. These tuition shortfalls are not expected to be made up by per-student full-time equivalent tuition increases.

The 52nd legislature intends for the Montana university system to be subject to the personal services line item requirements contained in [section 2, Chapter 815, Laws of 1991, as amended by [this act]]. The dollar amount of the personal services line item is equal to the following:

(1) For the research, public service, and plant programs, the line item amount is equal to the personal services amount contained in table 3 of the Montana

	Fiscal 1992					Fiscal 1993						
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
university system budget narrative accompanying [this act].												
(2) For the instruction program, the line item amount is equal to the personal services amount identified on the original regents'-approved operating budget each fiscal year, but may be no less than the faculty compensation amount contained in table 3 of the Montana university system budget narrative accompanying [this act].												
(3) For the support program, the line item amount is equal to the personal services amount identified on the original regents'-approved operating budget each fiscal year.												
It is further the intent of the 52nd legislature that the original budgeted personal services by program on the regents' employee reporting system each fiscal year equal the original regents'-approved operating budget by program.												
AGRICULTURAL EXPERIMENT STATION (5109)												
1.	Organized Research (02)											
	7,278,082						2,127,376	9,405,458	7,278,043		2,127,056	9,405,099
a.	Biological Weed Control (Line Item)											
	60,000							60,000	80,572			80,572
2.	Livestock and Range Research Station (15)						389,344	389,344			374,295	374,295
3.	Budget Reduction											
	117,419							117,419	214,819			214,819

Total					
	7,338,082	2,516,720	9,854,802	7,358,645	2,501,351
	<u>7,220,663</u>		<u>9,737,383</u>	<u>7,143,796</u>	<u>9,645,147</u>

Item 3 reduces the agricultural experiment station's total general fund appropriation. The agricultural experiment station, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.

COOPERATIVE EXTENSION SERVICE (5110)

	Fiscal 1992			Fiscal 1993			
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	Proprietary
1. Public Service (03)							
2,778,004					1,987,347	4,765,351	2,769,940
2. Budget Reduction							
44,746					44,746		82,408
Total							
2,778,004					1,987,347	4,765,351	2,769,940
2,733,259					4,720,605		2,687,532

Item 2 reduce the cooperative extension service's total general fund appropriation. The cooperative extension service, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.

FORESTRY AND CONSERVATION EXPERIMENT STATION (5111)

1. Research (02)							
711,138					711,138	711,940	711,940
2. Budget Reduction							
11,068					11,068	36,536	36,536

Total							
711,138					711,138	711,940	711,940
700,070					700,070	675,404	675,404

Item 2 reduce the forestry and conservation experiment station's total general fund appropriation. The forestry and conservation experiment station, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.

BUREAU OF MINES (5112)

- Bureau of Mines (11)

	Fiscal 1992			Fiscal 1993		
	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
1,288,493						
2. Budget Reduction						
20,054						
Total						
1,288,493						
1,268,439						
Item 2 reduces the bureau of mines' total general fund appropriation. The bureau of mines, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.						
SCHOOL FOR THE DEAF AND BLIND (5113)						
1. Administration Program (01)						
197,895						
a. Audit (Line Item)						
20,519						
2. General Services Program (02)						
251,213						
Student Services (03)						
799,974						
763,095						
4. Education (04)						
4,347,179						
1,297,179						
a. Supervising Teacher (Line Item)						
33,249						

Fiscal 1992					Fiscal 1993						
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
Total:											
2,620,029	170,000	165,482			2,955,511	2,581,669	170,000	165,447			2,917,116
2,563,150	190,000				2,918,632	2,515,116	190,000				2,870,563
MONTANA COUNCIL ON VOCATIONAL EDUCATION (5116)											
1. Administration Program (01)											
		135,579			135,578			135,650			135,650
a.	Audit (Line Item)										
		4,104			4,104						
b.	Increased Federal Funding (Line Item)										
		30,000			30,000			30,000			30,000
Total											
		169,682			169,682			165,650			165,650
FIRE SERVICES TRAINING SCHOOL (5119)											
1. Fire Services Training School (01)											
236,279					236,279	219,064					219,064
a.	Audit (Line Item)										
2,525					2,525						
2. Budget Reduction											
3,818					3,818	6,442					6,442
Total											
238,804					238,804	219,064					219,064
234,986					234,986	212,622					212,622

Fiscal 1992						Fiscal 1993					
General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total	General Fund	State Special Revenue	Federal Special Revenue	Proprietary	Other	Total
The fire services training school must be provided office, classroom, and storage space in the Great Falls vocational-technical center at no charge.											
Item 2 reduces the fire services training school's total general fund appropriation. The fire services training school, with the approval of the approving authority, as defined in 17-7-102, shall determine the proportional share of the amount to be applied to each program and reduce that program's appropriation accordingly.											
TOTAL SECTION E											
476,315,037	4,621,114	21,350,121	14,856,747	51,942,747	269,085,766	171,113,064	4,537,289	11,970,584	17,071,917	52,187,911	256,880,762
197,796,431	4,647,623				290,593,669	162,102,624	4,563,798			57,366,671	253,075,594
TOTAL STATE FUNDING											
453,468,142	281,579,413	604,104,453	216,571,437	54,911,330	1,611,034,775	452,794,707	269,600,416	601,317,157	224,556,424	54,781,350	1,603,050,054
22,147,462	281,411,610	606,326,156	216,646,146		1,641,442,711	438,123,204	268,708,257	597,371,479	224,634,134	59,960,110	1,588,797,184

Section 2. Section 9, Chapter 526, Laws of 1991, is amended to read:

"Section 9. **Appropriation.** There is appropriated for the biennium ending June 30, 1993, ~~\$26,000~~ \$21,710 for travel costs and per diem and administrative support costs and ~~\$40,000~~ for consultant costs from the general fund to the office of the legislative fiscal analyst for use by the joint committee on postsecondary education policy and budget."

Section 3. Section 2, Chapter 546, Laws of 1991, is amended to read:

"Section 2. **Appropriation.** There is appropriated from the general fund to the legislative council for the biennium ending June 30, 1993, ~~\$37,000~~ \$3,040 for the purposes of conducting the study required in [section 1]."

Section 4. Section 4, Chapter 559, Laws of 1991, is amended to read:

"Section 4. **Appropriation.** There is appropriated from the general fund to the department of family services for the biennium ending June 30, 1993, the sum of ~~\$100,000~~ \$50,000 to be used to provide respite care for foster children."

Section 5. Section 16, Chapter 604, Laws of 1991, is amended to read:

"Section 16. **Appropriation.** There is appropriated from the general fund to the department of justice ~~\$630,300~~ \$588,156 in fiscal year 1992 and ~~\$837,000~~ \$770,868 in fiscal year 1993 to fund the continued development and operation of the statewide motor vehicle computer system."

Section 6. Section 6, Chapter 634, Laws of 1991, is amended to read:

"Section 6. **Appropriation.** There is appropriated to the department of health and environmental sciences ~~\$14,000~~ \$12,880 from the general fund for the biennium ending June 30, 1993, for the purpose of implementing [this act]."

Section 7. Section 1, Chapter 707, Laws of 1991, is amended to read:

"Section 1. **Appropriation -- purpose -- department of social and rehabilitation services to deposit certain funds to general fund -- court automation report.** (1) There is appropriated from the state general fund to the supreme court ~~\$420,000~~ \$386,400 for the 1993 biennium for court automation projects.
(2) There is appropriated from the federal special revenue account to the supreme court \$200,000 for the 1993 biennium for court automation projects.
(3) The funds appropriated by this section to the supreme court must be used to pay necessary costs for court automation projects to improve information systems, case management systems, and the administration of justice.
(4) Prior to July 1, 1991, the department of social and rehabilitation services shall deposit to the credit of the state general fund all money in the federal special revenue account (number 03143) associated with the former department of community affairs grant closeouts reported in the April 1990 legislative audit by the office of the legislative auditor."

(5) The supreme court shall report to the 1993 legislature the status of judicial automation."

Section 8. Section 16, Chapter 720, Laws of 1991, is amended to read:

"Section 16. Appropriation. (1) The following money for the indicated fiscal years is appropriated to the listed agencies to implement [this act]:

	Fiscal 1992		Fiscal 1993	
	General	Other Funds	General Fund	Other Funds
Legislative				
Auditor	\$ 55,321	\$ 59,836	\$ 90,697	\$ 98,098
Legislative Fiscal				
Analyst	29,486		49,742	
Legislative				
Council	76,834		152,898	
Environmental				
Quality Council	11,763		18,618	
Consumer Counsel		7,167		11,734
Judiciary	72,569	16,802	122,084	28,266
University				
System	4,113,000	1,160,000	6,752,000	1,904,000

Office of Budget

and Program

Planning for

Distribution to

All Other

Agencies	8,603,027	11,843,195	13,727,961	18,844,902
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(2) There is appropriated to the state personnel division ~~\$73,200~~ \$64,200 from the general fund for the fiscal year ending June 30, ~~1993~~ 1991, for changes in the payroll/personnel/position control system. Any unexpended portion of the appropriation is reappropriated for the biennium ending June 30, 1993."

Section 9. Section 1, Chapter 753, Laws of 1991, is amended to read:

"Section 1. **Appropriation.** Upon final determination of all general fund money in the department of social and rehabilitation services' unreconciled special revenue fund balance and the deposit of these funds in the general fund, the lesser of ~~\$547,339~~ \$286,589 or the amount available from the balance after funding \$438,795 in fiscal 1992 and \$485,182 in fiscal 1993 appropriated to the department of social and rehabilitation services from the TEAMS project is appropriated from the general fund to the department of family services for the purchase and development of a management information system and may not be used for other purposes. In addition, there is appropriated the following for this purpose:

Fiscal year 1992	\$138,312 from federal special funds
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Fiscal year 1993	138,312 from federal special funds"
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Section 10. Section 12, Chapter 765, Laws of 1991, is amended to read:

"Section 12. **Appropriation.** There is appropriated from the general fund to the superintendent of public instruction ~~\$2,471,000~~ \$2,273,320 for the biennium ending June 30, 1993, to fund educational programs for children with disabilities who are placed in an in-state children's psychiatric hospital or residential treatment facility."

Section 11. Section 6, Chapter 774, Laws of 1991, is amended to read:

"Section 6. **Capital projects appropriations.** (1) The following money is appropriated for the indicated capital projects from the indicated sources to the department of administration, which is authorized to transfer the appropriated money among the necessary fund types for these projects:

Agency/Project	Other Funding Sources
----------------	-----------------------

LRBPF	
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DEPARTMENT OF ADMINISTRATION

Hazardous Material Abatement, Statewide	~~\$ 617,500~~	\$ 150,000	Auxiliary
	<u>\$ 594,625</u>		
State Building Energy Retrofit, Statewide		500,000	Nonstate State Special Revenue
		1,000,000	Federal Special Revenue
		500,000	Auxiliary or Other
Construction, Litigation, Architecture and Engineering Division	345,000		
Develop Alternate Water Supply, Capitol Complex		50,000	Proprietary Funds
Property Acquisition and Development, Capitol Complex		~~423,014~~	Capitol Land Grant
		<u>20,000</u>	
DEPARTMENT OF COMMERCE			
Improve Pavement and Lighting, Yellowstone Airport		51,773	Proprietary Funds
		465,957	Federal Special Revenue
DEPARTMENT OF EDUCATION			
Replace Academic Building Roof and Miscellaneous Repairs,			
Montana School for the Deaf and Blind	339,000		
DEPARTMENT OF FAMILY SERVICES			
Expand Security Fence, Pine Hills School	27,000		
Replace and Repair Roofs, Family Services	127,600		
DEPARTMENT OF FISH, WILDLIFE, AND PARKS			
Remove Underground Storage Tanks, Statewide		150,000	State Special Revenue
Headquarters Maintenance and Improvements, Statewide		85,000	State Special Revenue
Department Property Development, Statewide		360,000	State Special Revenue
State Park Maintenance and Development, Statewide		3,798,500	State Special Revenue
		1,124,500	Federal Special Revenue
Fish Hatchery Maintenance, Statewide		37,500	State Special Revenue

Fishing Access Site Improvements, Statewide	112,500	Federal Special Revenue
Motorboat Access Facilities, Statewide	286,000	State Special Revenue
Wildlife Habitat Maintenance, Statewide	858,000	Federal Special Revenue
Waterfowl Habitat Enhancement, Statewide	67,000	State Special Revenue
DEPARTMENT OF HIGHWAYS	201,000	Federal Special Revenue
Maintenance Projects, Statewide	304,000	State Special Revenue
Construct and Expand Maintenance and Storage Buildings, Statewide	349,500	State Special Revenue
	450,000	Highways State Special Revenue
	1,167,600	Highways State Special Revenue
	115,925	Federal Special Revenue

DEPARTMENT OF INSTITUTIONS CORRECTIONS AND HUMAN SERVICES

Replace Water and Steam Lines, Montana Developmental Center	116,708
Replace Roofs, Institutions	30,000
Moisture Protection, Eastmont Human Services Center	98,450
~~Maintain Roads and Parking Lots, Institutions~~	~~37,625~~
Montana State Hospital Infrastructure Study	112,375
Seal Buildings, Montana State Prison	25,000
Building Improvements, Center for the Aged	105,015
Replace Multipurpose Building Flooring,	
Montana State Hospital, Warm Springs	26,800
Galen Repair Projects	181,000

DEPARTMENT OF LABOR AND INDUSTRY

Renovate and Expand Job Service, Great Falls	310,000	Federal Special Revenue
Various Major Maintenance Projects	209,450	Federal Special Revenue

DEPARTMENT OF STATE LANDS

~~Construct Unit Office, Plains~~ 235,000

Construct Two Greenhouses, Missoula

191,900 State Special Revenue

DEPARTMENT OF MILITARY AFFAIRS

Kitchen Upgrade, Statewide

45,000

Rifle Range Rehabilitation, Statewide

5,000

555,000

Federal Special Revenue

Armory Additions and Alterations, Statewide

150,000

16,155,000

Federal Special Revenue

1,000

Acquire Land and Preplan Armory, Billings

150,000

Federal Special Revenue

Expand Military Vehicle Compounds, Statewide

5,000

275,000

Federal Special Revenue

Federal Spending Authority

300,000

Federal Special Revenue

Libby Armory

827,000

Federal Special Revenue

MONTANA UNIVERSITY SYSTEM

Primary Electrical Vault Disconnect, Eastern Montana College

31,000

Auxiliary

Install Fire Alarm System, University of Montana

70,000

Replace and Improve Roofs, University System

1,154,550

Plant

Improve Underground Utilities, Phase I, University System

296,000

Auxiliary

Repair and Improve Heating System, Western Montana College

57,900

Improve Handicapped Access, University System

335,000

Replace Carpet, Great Falls Vo-Tech

60,000

Improve Sidewalks and Fire Access, University System

86,000

~~Plan Community Pharmacy Renovations, University of Montana~~

~~50,000~~

~~Plan Metallurgy Remodel, Montana Tech~~

~~50,000~~

Window Retrofit Museum Building, Montana Tech

142,000

Various Improvements, University of Montana

2,584,600 Federal, Higher Education Funds,
and/or Donations

Centennial Mall, Montana State University

1,600,000 Plant

Remodel Student Union Building, Western Montana College

600,000 Auxiliary

Construct Engineering/Physical Sciences Complex, Montana State University

~~2,168,200~~ Higher Education Funds and/or Donations
2,301,200

Life Science Building, University of Montana

12,000,000 Federal Special Revenue

Construct Business Administration Building, University of Montana

1,858,320 Higher Education Funds and/or Donations

Multipurpose Building, Northern Agricultural Research Center

150,000 150,000 Higher Education Funds and/or Donations

Repair Northern Montana College Gymnasium

934,500 1,700,000 Higher Education Funds and/or Donations

~~(2) If more than \$2,668,200 is not passed and approved, the appropriation in this section to construct the engineering/physical sciences complex at MSU is \$2,668,200 from higher education funds and/or donations.~~

~~(3) (2)~~ For purposes of obtaining cash for the construction litigation appropriation authority in [section 6(1)], the architecture and engineering division of the department of administration is authorized to request a budget amendment for transfer of any excess long-range building project funds from any agency so long as the amendment does not move funds required to complete any authorized agency project.

~~(4) (3)~~ The following money is appropriated to the department of administration in the indicated amounts for the purpose of planning projects described in [section 12] and authorized in [section 13]:

Agency/Project

LRBPF

Other Funding Sources

Preliminary Design for Prison Expansion

\$ 877,500

Preliminary Design, University System:

Engineering/Physical Sciences, MSU

1,165,290

Business Administration, UM

604,705

~~(5) (4)~~ ~~(a) If House Bill No. 959 is passed and approved, the~~ The following money is appropriated to the department of administration for the university system:

Agency/Project

LRBPF

Other Funding Sources

University System

Deferred Maintenance Projects and Equipment Approved

by the Board of Regents

~~\$ 600,000~~ General Fund

~~\$ 517,500~~

Repair Northern Montana College Gymnasium

~~1,300,000~~ General Fund

~~283,000~~

Equipment for Eastern Montana College

~~600,000~~ General Fund

Construct Engineering/Physical Sciences Complex,

Montana State University

~~500,000~~ General Fund

~~367,000~~

~~(b) If the bonding program in section 13} fails to receive the necessary two-thirds vote of both houses of the legislature and if House Bill No. 959 is passed and approved, there is appropriated \$1,800,000 from the general fund to the university system for deferred maintenance projects and/or equipment as approved by the board of regents. The \$1,165,200 appropriation for the engineering/physical sciences complex at MSU and the \$604,705 appropriation for the business administration building at UM in section 6(4)} are void, and LRBPS funds in the amount of \$1,760,005 are appropriated to replace the \$1,300,000 general fund appropriation for the repairs of the northern Montana college gymnasium in subsection (5), funds in the amount of \$400,000 are appropriated to replace the bonding money for the libby armory in section 12}, and funds in the amount of \$60,005 are appropriated to design the remodeling of the Great Falls vocational technical center.~~

~~(6)}(5) Amounts not to exceed \$490,000 of federal special revenue money and \$163,333 of state special revenue money appropriated in the state parks maintenance and development statewide line item under subsection (1) may be added to the line item appropriations for motorboat access facilities statewide under subsection (1) or fishing access site acquisition statewide under [section 8(1)]. This subsection is void if House Bill No. 386 and Senate Bill No. 415 are passed and approved and provide sufficient additional state special revenue money required as state matching funds to fully utilize all of the federal special revenue money provided in subsection (1) in the line item appropriation for state parks."~~

Section 12. Section 9, Chapter 781, Laws of 1991, is amended to read:

"Section 9. **Appellate defender** -- appropriation. The following money is appropriated from funds available as provided in 3-5-901(2) to the appellate defender commission for the operation of the commission and the office of appellate defender:

Fiscal year 1992

\$100,000

\$ 50,000

Fiscal year 1993

100,000"

Section 13. Section 5, Chapter 816, Laws of 1991, is amended to read:

"Section 5. General fund appropriation. The department of highways justice is appropriated ~~\$345,000~~ \$317,400 from the general fund in fiscal 1992 and ~~\$233,000~~ \$214,360 from the general fund in fiscal 1993 to pay a portion of the state retirement contribution for the Montana highway patrol."

Section 14. Section 1, Chapter 820, Laws of 1991, is amended to read:

"Section 1. Appropriation. There is appropriated from the general fund ~~\$700,000~~ \$644,000 to the department of commerce for the Lewis and Clark national historic trail interpretive center for the biennium ending June 30, 1993. The money, along with the \$300,000 of other funds specified in [section 2], is to be used to match federally appropriated funds on an 8-to-1 basis. The department of commerce shall administer the appropriation to add another tourism destination attraction in Montana. The department of commerce shall distribute the money for planning, design, and all phases of construction for a Lewis and Clark national historic trail interpretive center, as authorized in Public Law 100-552."

Section 15. Repealer. Section 7, Chapter 725, Laws of 1991, is repealed.

Section 16. Effective date. [This act] is effective on passage and approval.

HOUSE JOINT REVENUE ESTIMATING RESOLUTION HJR 1



A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REVISING THE OFFICIAL ESTIMATE, CONTAINED IN HOUSE JOINT RESOLUTION NO. 24, LAWS OF 1991, OF THE STATE'S ANTICIPATED REVENUE FOR EACH YEAR OF THE 1992-93 BIENNIUM FOR THE PURPOSE OF ACHIEVING A BALANCED BUDGET AS MANDATED BY ARTICLE VIII, SECTION 9, OF THE MONTANA CONSTITUTION; ACCEPTING THE JUNE 30, 1991, GENERAL FUND AND STATE EQUALIZATION ACCOUNT BALANCES THAT WERE ESTABLISHED BASED ON GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; REQUESTING THE GOVERNOR'S OFFICE OF BUDGET AND PROGRAM PLANNING TO USE THE REVENUE ESTIMATES CONTAINED IN THIS RESOLUTION AS OFFICIAL REVENUE ESTIMATES FOR THE REMAINDER OF FISCAL YEAR 1992 AND FOR FISCAL YEAR 1993; AND ESTABLISHING AN ESTIMATE OF THE NONGENERAL FUND REVENUES FOR THE STATE EQUALIZATION ACCOUNT.

WHEREAS, Article VI, section 9, of the Montana Constitution requires the Governor to submit to the Legislature a budget for the ensuing fiscal period, containing in detail the estimated revenue of the state; and

WHEREAS, Article VIII, section 9, of the Montana Constitution prohibits the Legislature from appropriating funds in excess of the anticipated revenue of the state; and

WHEREAS, it became apparent shortly after the adjournment of the 52nd regular session that there would be a shortfall in anticipated revenue, primarily in individual income taxes, oil severance taxes, and interest earnings; and

WHEREAS, the Office of Budget and Program Planning has projected that revenue collections for fiscal years 1991, 1992, and 1993 will be \$73.3 million less than estimated by the Legislature in House Joint Resolution No. 24; and

WHEREAS, section 10, Chapter 787, Laws of 1991 (codified as section 17-7-140, MCA), delegates authority to the Governor to reduce appropriations in the event of a shortfall in revenue; and

WHEREAS, for the last 20 years, the Montana Legislature has similarly delegated this authority to the Governor in the general appropriations acts; and

WHEREAS, the Governor signed Executive Order No. 28-91, which directed state agencies and the University System to balance the state budget by reducing expenditures, transferring fund balances, revising revenue estimates, and transferring other funds; and

WHEREAS, several associations affiliated with the University System and four legislators filed suit in the Montana First Judicial District, Lewis and Clark County, challenging the constitutionality of the Montana Legislature's delegation of authority to the Governor to reduce appropriations, as provided in section 17-7-140, MCA; and

WHEREAS, Judge Jeffrey Sherlock determined that section 17-7-140, MCA, is an

unconstitutional delegation of that authority; and

WHEREAS, the official statement for the issuance of \$85 million in tax revenue and anticipation notes indicated that the Governor would call a special session of the Legislature if he was enjoined from balancing the budget under Executive Order No. 28-91 and if there were no available alternatives for the management of the state's budget on a financially sound basis; and

WHEREAS, the Governor issued a call for a special session to begin January 6, 1992, to address the disparity between budgeted expenditures and anticipated revenue; and

WHEREAS, the Montana Legislature must revise its revenue estimates to responsibly deal with the budget crisis; and

WHEREAS, section 5-18-107(5), MCA, requires the Revenue Oversight Committee to estimate the amount of revenue projected to be available for legislative appropriation for use until amended or until final adoption of the estimate by both houses; and

WHEREAS, the Revenue Oversight Committee, in anticipation of the special session, has revised its assumptions relating to revenue estimates for individual and corporation income taxes, oil and coal severance taxes, earnings on investments, statewide mill levies, and lottery receipts; and

WHEREAS, because of the complexity of economic variables involved in revenue forecasting and the diversity of sources from which state revenues are obtained, the Committee limited

its revised assumptions to those areas described above; and

WHEREAS, given the magnitude of the fiscal crisis facing the State of Montana and given the Legislature's constitutional responsibility to balance the budget, it is in the best interests of the state that revenue forecasts be discussed and determined in public hearings at which all interested people may attend and participate.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the state general fund revenue for fiscal years 1992 and 1993 is estimated to be \$469,896,000 and \$484,634,000, respectively. The school foundation revenue for fiscal years 1992 and 1993 is estimated to be \$375,407,000 and \$371,494,000, respectively.

BE IT FURTHER RESOLVED, that the Legislature accepts for budget purposes the unreserved fund balance of \$58,700,000 for the general fund and \$9,482,000 for the state equalization account, prepared according to generally accepted accounting principles as published in the audited state financial statements as of June 30, 1991.

BE IT FURTHER RESOLVED, that the Governor's Office of Budget and Program Planning use, as contemplated in section 5-18-107(5), MCA, the revenue estimates contained in this resolution as the official revenue estimates for fiscal years 1992 and 1993.

GENERAL FUND REVENUE

The revised projections for total general fund revenue during the 1992-93 biennium are based on an assumption of a continuation of Montana law as it existed on January 1, 1992.

The revenue estimates contained in the following tables are based on the assumptions stated previously in this resolution and those listed in the following tables.

ECONOMIC ASSUMPTIONS

Revenue Oversight Committee

<u>YEAR</u>	<u>ASSUMPTION</u>	<u>CY/FY</u> <u>1991</u>	<u>CY/FY</u> <u>1992</u>	<u>CY/FY</u> <u>1993</u>
	MT Population July 1 (Thousands)	800.000	804.000	808.000
	MT Population > = 16 July 1 (Thousands)	609.000	613.000	617.000
	MT Population 18-24 July 1 (Thousands)	67.000	64.000	61.000
CY	MT Nonfarm Employment (Thousands)	300.800	304.500	307.100
CY	MT Personal Income (Billions)	\$12.506	\$12.969	\$13.586
CY	MT Nonfarm Wage & Salary Income (Billions)	\$5.964	\$6.229	\$6.497
CY	Interest & Dividend Income (Percent change)	5.570%	4.440%	4.300%
CY	Net Business Income (Percent change)	5.570%	4.440%	4.300%
CY	Capital Gains/Losses Income (Percent change)	0.300%	0.300%	0.300%
CY	Rent/Royalty/Partnership Income (Percent change)	14.000%	12.000%	10.000%
CY	Other Nonwage & Salary Income (Percent change)	5.570%	4.440%	4.300%
CY	CPI Percent Change	4.130%	3.500%	4.000%
CY	U.S. Corporate Profits Before Taxes (Billions)	\$282.000	\$310.900	\$349.300

YEAR	ASSUMPTION	CY/FY 1991	CY/FY 1992	CY/FY 1993
CY	Short-Term Interest Rate	6.080%	5.800%	6.500%
CY	Long-Term Interest Rate	8.840%	8.500%	9.500%
CY	Prime Interest Rate	9.810%	10.000%	10.000%
FY	Treasury Cash Average Balance (Millions)	\$273.426	\$239.636	\$211.601
FY	TRANS Issue (Millions)	\$0.000	\$85.000	\$145.000
FY	Basis Points (Percentage)	0.000%	1.000%	1.000%
FY	Individual Income Tax Audits (Millions)	\$11.266	\$14.077	\$16.397
FY	Legislative Audits (Millions)	\$0.000	\$0.750	\$0.750
FY	Corporation Tax Audits (Millions)	\$8.109	\$10.155	\$13.257
FY	Other Audits (Millions)			\$0.200
CY	Total Oil Production (Million bbls.)	18.358	17.807	17.273
CY	Montana Oil Price	\$18.200	\$18.000	\$18.000
FY	Statewide Taxable Valuation (Millions)	\$1,564.317	\$1,572.956	\$1,601.896
CY	Total Coal Production (Million tons)	35.182	34.515	34.375
CY	Montana Coal Price (CSP)	\$7.564	\$7.540	\$7.530
FY	Coal Tax Credits (Millions)	\$4.996	\$2.449	\$0.000
CY	Total Natural Gas Production (M MCF)	45.622	47.304	47.437
CY	Montana Natural Gas Price (\$/MCF)	\$1.773	\$1.907	\$2.097
CY	Copper Production (M lbs.)	135.762	137.863	130.776
CY	Gold Production (M ozs.)	0.348	0.345	0.347
CY	Silver Production (M ozs.)	6.449	6.454	6.457
CY	Lead Production (M lbs.)	11.665	11.674	11.739
CY	Zinc Production (M lbs.)	32.029	32.421	32.602

<u>YEAR</u>	<u>ASSUMPTION</u>	<u>CY/FY</u> <u>1991</u>	<u>CY/FY</u> <u>1992</u>	<u>CY/FY</u> <u>1993</u>
CY	Molybdenum Production (M lbs.)	14.100	10.900	9.300
CY	Palladium Production (M ozs.)	0.200	0.222	0.290
CY	Platinum Production (M ozs.)	0.061	0.067	0.088
CY	Copper Price	\$1.046	\$1.038	\$1.042
CY	Gold Price	\$400.675	\$400.675	\$400.675
CY	Silver Price	\$4.775	\$4.775	\$4.775
CY	Lead Price	\$0.209	\$0.209	\$0.209
CY	Zinc Price	\$0.502	\$0.502	\$0.502
CY	Molybdenum Price	\$3.119	\$3.112	\$3.115
CY	Palladium Price	\$132.725	\$132.725	\$132.725
CY	Platinum Price	\$453.253	\$453.253	\$453.253
FY	Forest Receipts (Millions)	\$11.150	\$7.753	\$7.705
FY	Permanent Trust Gains/Losses (Millions)	\$1.195	\$1.195	\$1.195
FY	Common School Trust Gains/Losses (Millions)	\$1.231	\$1.231	\$1.231
FY	Resource Ind. Trust Gains/Losses (Millions)	\$0.339	\$0.339	\$0.339
FY	Park Acq. Trust Gains/Losses (Millions)	\$0.054	\$0.054	\$0.054
FY	Liquor Unit Sales (Millions)	4.780	4.680	4.582
FY	Wine Unit Sales (Millions)	0.100	0.083	0.067
FY	Liquor Cost Per Unit	\$4.977	\$5.066	\$5.156
FY	Wine Cost Per Unit	\$3.258	\$3.372	\$3.483
FY	Liquor Division Budget (Percent change)	0.000%	0.000%	0.000%
FY	Cigarette Packs (Millions)	68.874	68.068	67.156
FY	Tobacco Value (Millions)	\$7.626	\$8.053	\$8.490

<u>YEAR</u>	<u>ASSUMPTION</u>	<u>CY,FY</u> <u>1991</u>	<u>CY/FY</u> <u>1992</u>	<u>CY/FY</u> <u>1993</u>
FY	Insurance Premiums Growth (Percent change)	1.890%	1.890%	1.890%
FY	Insurance Premiums Tax Credit	\$3.231	\$4.311	\$5.391
FY	Police & Firemen Retirement (Millions)	\$6.213	\$6.391	\$6.479
CY	Telephone Taxable Income (Percent change)	\$234.185	\$241.724	\$250.770
CY	Kilowatt Hours Produced (Millions)	22,664.000	22,682.000	22,663.000
FY	Barrels of Beer (Millions)	0.702	0.706	0.711
CY	Freight Line Earnings (Millions)	\$21.757	\$21.768	\$21.699
FY	Liters of Wine (Millions)	5.036	4.907	4.785
FY	Video Machine Net Income (Millions)	\$126.079	\$139.382	\$150.333
FY	Statewide Vehicle Value (Millions)	\$1,905.049	\$1,935.412	\$1,986.326
FY	Per Capita Lottery Sales	\$27.000	\$32.700	\$35.400

Current Law

General Fund Revenue Estimates

(In Millions)

<u>Source of Revenue</u>	<u>ESTIMATED</u> <u>FY 1992</u>	<u>ESTIMATED</u> <u>FY 1993</u>	<u>ESTIMATED</u> <u>FY 1992 and 1993</u>
Individual Income Tax	\$199.084000	\$203.714000	\$402.798000
Corporation License Tax	32.517000	37.190000	69.707000
Coal Severance Tax	6.086000	5.864000	11.950000
Oil Severance Tax	16.466000	15.908000	32.374000

	ESTIMATED <u>FY 1992</u>	ESTIMATED <u>FY 1993</u>	ESTIMATED <u>FY 1992 and 1993</u>
<u>Source of Revenue</u>			
Interest on Investments	17.660000	21.717000	39.377000
Long-Range Bond Excess	42.551000	43.932000	86.483000
Coal Trust Interest Income	43.103000	44.188000	87.291000
Insurance Premiums Tax	18.518000	17.885000	36.403000
Public Institutions Reimb.	13.448000	13.028000	26.476000
Liquor Profits	5.363000	4.301000	9.664000
Liquor Excise Tax	5.710000	5.691000	11.401000
Inheritance Tax	9.704000	9.969000	19.673000
Metal Mines Tax	4.661000	4.460000	9.121000
Electrical Energy Tax	4.239000	4.241000	8.480000
Driver's License Tax	1.571000	1.577000	3.148000
Telephone License Tax	4.009000	4.325000	8.334000
Beer License Tax	1.272000	1.280000	2.552000
Natural Gas Severance Tax	1.634000	1.816000	3.450000
Freight Line Tax	1.197000	1.193000	2.390000
Wine Tax	0.785000	0.766000	1.551000
Video Gaming Income Tax	6.973000	7.448000	14.421000
Motor Vehicle Account	7.882000	8.056000	15.938000
Vehicle Fees	2.710000	2.781000	5.491000
Public Contractor's Tax	1.070000	1.067000	2.137000
Other Revenue Sources	21.683000	22.237000	43.920000
Grand Total	\$469.896000	\$484.634000	\$954.530000

Current Law
Foundation Program Revenue Estimates
(In Millions)

<u>Source of Revenue</u>	<u>ESTIMATED FY 1992</u>	<u>ESTIMATED FY 1993</u>	<u>ESTIMATED FY 1992 and 1993</u>
State Revenue			
Income Tax	\$90.349000	\$92.450000	\$182.799000
Corporation Tax	15.193000	17.376000	32.569000
Coal Tax	4.508000	4.344000	8.852000
Interest & Income	37.897000	38.808000	76.705000
U.S. Oil & Gas Royalties	25.005000	24.395000	49.400000
Education Trust Interest	0.054000	0.055000	0.109000
State Equal. Account Interest	0.290000	0.000000	0.290000
Permanent Trust Interest	7.606000	7.798000	15.404000
Lottery	5.025000	5.048000	10.073000
Statewide 40 Mills	63.003000	64.161000	127.164000
Miscellaneous	14.937000	8.838000	23.775000
County Levy Surplus	0.000000	0.000000	0.000000
Total State	\$263.867000	\$263.273000	\$527.140000
Statewide Taxable Valuation	1572.956000	1601.896000	Not Applicable

	ESTIMATED <u>FY 1992</u>	ESTIMATED <u>FY 1993</u>	ESTIMATED <u>FY 1992 and 1993</u>
<u>Source of Revenue</u>			
County Revenue			
55 Mills	\$86.513000	\$88.104000	\$174.617000
Elementary Transportation	0.000000	0.000000	0.000000
Cash Reappropriated	6.718000	1.119000	7.837000
Forest Funds	1.744000	1.409000	3.153000
Taylor Grazing	0.119000	0.114000	0.233000
Miscellaneous	17.439000	18.374000	35.813000
High School Tuition	-0.993000	-0.899000	-1.892000
Total County	\$111.540000	\$108.221000	\$219.761000
Total State & County	\$375.407000	\$371.494000	\$746.901000

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